# **Chief Justice Blocks** Clinton on Lawyers

Grand Jury Calls a Top White House Attorney

By Brian Knowlton mational Herald Tribune

WASHINGTON - The chief justice of the United States rejected Tuesday an urgent White House appeal in the Monica Lewinsky case, opening the door for prosecutors, only hours later, to ques-tion a top White House attorney about his advice to President Bill Clinton.

This was the latest in a series of setbacks for Mr. Clinton and victories for the independent counsel, Kenneth Starr. Mr. Starr has been pressing to complete his investigation into the ques-tion of whether Mr. Clinton lied about his relationship with Ms. Lewinsky and asked her to lie about it.

"There is some disappointment here about that decision," said Barry Toiv, a White House spokesman. "This is a very important principle that we will

# Congo Rebels, Moving Fast, Boldly Replay Last Uprising

By Howard W. French New York Times Service

ABIDJAN, Ivory Coast — When rebellious troops seized control of the two largest cities in the far-eastern part of the Democratic Republic of the Congo on Monday and announced their intention to overthrow Laurent Kabila, the president whose capital sits 1,450 kilometers to the west, many people in the Central African nation

had the impression that ANALYSIS they were reliving a well-rehearsed drama.

In fact, from the names of the eastern cities. Goma and Bukavu, that became initial flash points in the uprising, to the reported reinforcement of the rebels across Congo's eastern border with Rwanda, to the witch-bunt against Rwandans unleashed by the government in Kinshasa, what they were witnessing was close to a replay of events two years ago that brought the downfall of the dictator Mobutu Sese Seko and Mr. Kabila's rise to power.

The most striking difference between now and 1996, perhaps, was that it took Mr. Kabila's rebel forces five months before they could evolve from an embarrassing cross-border rebellion to with the seizure of the country's third largest city, Kisangani - a real threat to the Mobutu government.

This time, with the speed of the practiced, Congo's rebels, many of whom are members of the country's Tutsi minority and veterans of Mr. Kabila's own insurrection, wasted no time in mounting a heavy attack against Kisangani on Tuesday.

And in an even bolder move which suggested careful planning, Mr. Kab-ila's cabinet director, Abdoulaye Yero-dia Ndombasi, said the rebels flew a hijacked passenger jet across the country to a military base in Kitona, in the far west, in an attempt to rally former troops from Marshal Mobum's army who were being trained by Rwandan instructors.

Agence France-Presse quoted Justice Minister Mwenze Kongolo on Tuesday night as saying that fighting had broken out between government forces and armed troops from Goma for control of The Kitona base.

For those who backed it, from the neighboring patron states of Rwanda and Uganda to the besieged Tutsi minorities of eastern Congo - cousins of Rwanda's own ruling minority - to Mr. Kabila himself, a guerrilla leader plucked from obscurity to head the uprising, the seven-month rebellion against Marshal Mobutu was intended as a war to end all wars.

Uganda and Rwanda may have been surprised to see Marshal Mobutu's armies crumble so easy and Mr. Kabila march on to power, but at a minimum they intended to extend their influence into the Congo's vast eastern hinter-lands, ending their use as a staging ground for seemingly interminable re-bellions against their own governments.

Congo's Tutsi minority, known collectively as the Banyamulenge, expected an end to attacks against them by other eastern groups that contested their

### See CONGO, Page 8

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The White House had sought a stay, until the Supreme Court reconvenes in the fall, of an appeals court finding that White House lawyers could be com-pelled to testify before a grand jury and could not invoke attorney-client privilege to protect communications with the president.

Within hours of Chief Justice William Rehnquist's oral decision, the White House lawyer in question, Lanny

Breuer, appeared before the grand jury investigating Mr. Clinton.

Meanwhile, all parties awaited word of the results of an FBI laboratory analysis of a stain on a dress that Ms. Lewinsky turned over to investigators.

The tests, which might help establish whether she had sexual intercourse with Mr. Clinton, are thought to have been concluded, but the agency has clamped exceptionally tight secrecy on the re-

Mr. Breuer, a former federal prosecutor from New York, has played a significant role in the White House's

response to the investigation.

Along with the deputy counsel, Bruce Lindsey, a long-time confidant of Mr. Clinton's who is expected to be subpoenaed soon, Mr. Breuer has helped design the White House strategy for responding to subpoenas and has debriefed attorneys for some friendly witnesses after they testified before the grand intry

grand jury.

Mr. Lindsey's appearance has been delayed because he is recovering from back surgery. Other members of the White House legal staff might also face subpoenas.

Ms. Lewinsky, 25, is expected to testify this month, following an agree-ment with Mr. Starr's office that gives her immunity.

Mr. Clinton side-stepped a subpoena. which might not have been constitutionally enforceable, by agreeing to testify from the White House on Aug. 17. Grand jurors will view that session live on closed-circuit television from the federal courthouse.

David Kendall, one of Mr. Clinton's private attorneys, came to the White



HUMAN TOLL IN THE ASIAN CRISIS - A girl, one of many, scavenging at a garbage dump in Jakarta as poverty increases.

House on Tuesday to help the president prepare for the questioning on Aug. 17. As a private attorney, Mr. Kendall enjoys uncontested attorney-client privilege with Mr. Clinton.

Mr. Toiv, the White House spokes-man, insisted that Mr. Clinton's testimony would not vary from his repeated insistences that he did not have a sexual relationship with Ms. Lewinsky and did not ask her to lie about it.

'The president has told the truth about this, and he will continue to do so," Mr. Toiv said. "I have no reason to think that has changed in any way."

Both Democrats and Republicans have said recently that if Mr. Clinton made a clear statement about his relationship with Ms. Lewinsky and apologized for any errors he might have

See CLINTON, Page 8

# U.S. Stocks Plunge As Asian Crisis Rattles Wall Street

Dow Loses Nearly 300 Points In Biggest Fall Since October

By Mitchell Martin

Cribune

NEW YORK - U.S. stock prices tumbled for the third consecutive session on Tuesday, falling 3.4 percent, de-pressed by worries about the health of the American economy in light of the Asian financial crises.

The Dow closed 299.43 points lower, its third biggest point loss ever, at 8,487.31. At that level, the Dow was 9 percent off from its record.

The plunge, the steepest drop since Oct. 27, when the average fell 554.26, or 7.2 percent, wiped out most of summer gains and shook market confidence.

Yet despite the retreat from market records that saw the Dow Jones industrial average peak at 9,337.97 on July 17, analysts said conditions for a reversal of the bull market were not in place.
The broader Standard & Poor's 500-

stock index fell 3.6 percent from Monday, closing down 40.29 points at 1.072.15. The Nasdaq composite index plunged 65.42 points to 1,785.68.

"It looks terrible right now, there's selling coming out of everywhere," said John Manley, equity strategist at Salomon Smith Barney Inc. "There's a million reasons to be out of stocks, and

not a lot to be in them." On the other hand, Mr. Manley added, "Over the course of the last five years, we've seen close to half a dozen 5 to 10 percent corrections in the market, none of which came to more than a

buying opportunity."

Tuesday's decline was brought about by "three negative factors overhanging the stock market," said Anthony Dwyer, chief market strategist at Ladenburg Thalmann & Co.

Tuesday @ 4 P.M. 5.9525 5.9815 8,487.31 - 299,43 **— 40.32** 

There is unease over the investiga tions of President Bill Clinton, fears that the deflationary pressures emanating from Asia could halt the U.S. economy's growth and concerns that corporate profits will fail to meet expectations.

Mr. Clinton's problems should be "totally irrelevant" to investors, Mr. Dwyer said, adding that "the reality is that Alan Greenspan runs the country" as chairman of the Federal Reserve Board.

More legitimate concerns are that companies earnings do not support the high prices of their shares and the fears that the financial crises in Asia would spread, which were exacerbated this week by mixed messages from Tokyo on its policy on the yen. (Page 11) These factors, however, are insuf-

See MARKET, Page 13

# Switched at Birth, 2 Toddlers Stalked by Tragedy

By Justin Blum and Michael D. Shear Washington Post Service

CHARLOTTESVILLE, Virginia - It began count, saying he was not paying enough child support for their 3-year-old daughter.

results showed that the man was not the child's father, toddlers.

Ms. Johnson underwent genetic testing herself.
The results were shocking: Callie Marie, the blonde, blue-eyed child Ms. Johnson has been raising with two

other children, is not her biological daughter. That was the genesis of a mystery that has now when Paula Johnson, a single mother living just north turned to something of an unfinished Greek tragedy. It involves two toddlers, two extended families, a hospital that sent the baby girls home with the wrong or their 3-year-old daughter. mothers and, only last month, a high-speed car A judge ordered a paternity test; and when the accident that took the lives of the parents of one of the

One day after Paula Johnson learned that Callie Marie was not her biological daughter, the couple who had been raising the switched baby, 3-year-old Rebecca Chase Chittum, died in a July 4 head-on collision along with five others, including two relatives,

Three weeks later, a doctor and nurse from the University of Virginia visited the surviving relatives to tell the family that Rebecca was not the dead couple's child after all.

See BABIES, Page 8

# War and Death in Kosovo: Confusion Over Response



EXHUMATION - Bosnian Croats watching Tuesday as investigators opened a mass grave in Humac, in central Bosnia, of victims who were killed in 1993. As a refugee crisis worsened in Kosovo, the White House accused the Serbian leader of violating a vow to allow aid. Page 8.

By R. Jeffrey Smith

STIMLIE, Yugoslavia - A group of Serbian police officers had just skittered down a hillside from a brightly burning house south of here when several reporters approached them.

Why was the house aflame? 'Because it is wood," one of the policemen said after a long pause. How did the fire start?

"I don't know; they must have been smoking," he added with a grin. As scores of ethnic Albanian towns ANALYSIS burned Monday on the 11th day of a huge assault by Yugoslav Army and Interior Ministry troops in Kosovo province, the government has adopted the policeman's approach to dealing with repeated Western calls to half the offensive and negotiate a peaceful settlement to local separatist demands.

Officials consistently say the artillery, mortar and machine-gun fire that has destroyed more than 100 villages, killed hundreds of civilians and pushed more than 200,000 others from their homes was provoked by "terrorists" with the Kosovo Liberation Army, a separatist ethnic Albanian force.

This strategy of blaming the other guy, an approach that the Yugoslav government honed during the 1992-1995 war in Bosnia, has worked perfectly during the last two weeks in Kosovo - a province of Serbia. Despite ferocious attacks by Yugoslav Army troops

against Kosovo's ethnic Albanian majority something that Western officials once said would provoke an angry response - capitals from Washington to Paris to Moscow have been quiet recently. A

See KOSOVO, Page 8

### AGENDA

# Reno Bars Memos On Fund-Raising

WASHINGTON (AP) --- Attorney General Janet Reno said Tuesday that she was considering with an deputies for an independent counsel to investigate campaign fund-raising but that she would not turn their memos over to lawmakers. The authors of the memos, the

FBI director, Louis Freeh, and one of Ms. Reno's top investigators, both told a House committee Tuesday that the memos should be kept secret because they contain investigators' strategy that could tip off defendants in the inquiry into 1996 fund-raising. The committee subpoenaed the memos.

Mr. Freeh told the House com-

mittee that the investigation involves "a core group of individuals who in my view are indisputably covered persons" under the law. Mr. Freeh was asked if these individuals included the president

or vice president. 'Yes sir," Mr. Freeh responded.

### Havel's Life Saved In a Medical Crisis

President Vaclav Havel of the Czech Republic underwent emergency cardiac electroshock therapy to save his life Tuesday after his pulse rose to 200 beats a minute, doctors said.

Dr. Boris Stastny said the 61year-old leader had been "in danger of dying for half an hour" during the treatment early Tuesday. Page 5.

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Opinion	Pages 6-7.
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The IHT on-line	www.iht.com

# Chief UN Weapons Inspector Leaves Iraq After Talks Collapse Again

BAGHDAD - The chief United Nations weapons inspector, Richard Butler, left Baghdad on Tuesday after the collapse of talks with Iraq on dismantling the country's weapons of mass de-

Mr. Butler said Deputy Prime Minister Tariq Aziz had demanded that Iraq be given a clean bill

of health on its weaponry. "I told him that I cannot fulfill your demand because I don't have the evidence," Mr. Butler said after flying to Bahrain. "After I said that to him, Aziz replied, 'Then we can't talk any further.'"

President Saddam Hussein, meanwhile, approved a "series of measures" aimed at shaking off UN sanctions, the Iraqi press agency INA reported.

The decision was taken at an emergency meeting Tuesday of the powerful Revolutionary Command Council and the ruling Ba'ath Party, of which Mr. Saddam is chairman. "The meeting adopted a series of measures that will be announced soon," the agency reported, without saying what those steps were likely to be. It also said a

national debate on confronting the sanctions would begin immediately. The White House called the breakdown of the

talks disturbing but not surprising.

A White House spokesman, PJ. Crowley, said all options, including a military one, remained "absolutely" open, but he cautioned against jump- to report to the Security Council.

ing to conclusions. "We've had this lack of co-operation for basically seven years," Mr. Crowley said. "This is something we've encountered before. Let's not raise the temperature until we get a full report from Chairman Butler.

The official Iraqi news agency quoted Mr. Butler as saying that the UN Security Council would have to decide what to do next.

"It is imperative not to overdramatize the situation," Mr. Butler was quoted as saying. "I will refrain from using the word crisis." Mr. Butler, who heads the UN Special Commission charged with verifying that Iraq has destroyed its weapons of mass destruction, said he would go to New York

Earlier this year, the United States and Britain sent warships to the Gulf after Iraq refused to open presidential sites to UN inspectors. That crisis was defused in February by Kofi Annan, the UN secretary-general.

### ■ Iraqi Intransigence Could Cause Tension

Earlier. Barbara Crossette of The New York Times reported from New York:

Danilo Turk, the Slovenian delegate to the Security Council and its current president, said that Mr. Butler would brief the council by Wednesday. UN officials in New York and in Baghdad said

See IRAQ, Page 8

# Beating the Odds (and the Frauds) With the Number 1

By Malcoim W. Browne New York Times Service

FEW YORK — Theodore Hill asks his mathematics students at the Georgia In-structe of Technology to go home and either flip a coin 200 times and record the results or merely pretend to flip a coin and fake 200 results The following day he runs his eye over the homework data, and to the students' amazement, he easily fingers nearly all those who faked their

"The truth is." he said in an interview, "most people don't know the real odds of such an exercise, so they can't fake data convincingly.

There is more to this than a classroom trick.

Mr. Hill is one of a growing number of statisticians, accountants and mathematicians who are convinced that an astonishing mathematical theorem known as Benford's Law is a powerful and relatively simple tool for pointing suspicion at frauds, embezzlers, tax evaders, sloppy accountants

and even computer bugs.

The income tax agencies of several nations and several states, including California, are using detection soft-ware based on Benford's Law, as are a score of large companies and accounting businesses.

Benford's Law is named for the late Frank Benford, a physicist at the General Electric Co. In 1938 he noticed that pages of logarithms corresponding to numbers starting with the numeral 1 were much dirtier and more

worn than other pages. (A logarithm is an exponent. Any number can be expressed as the fracsome base number, such as 10. Published tables permit users to look up logarithms corresponding to numbers or numbers corresponding to logar-

Logarithm tables (and the slide rules derived from them) are not much used for routine calculating any more: electronic calculators and computers are simpler and faster. But logarithms remain important in many scientific and technical applications, and they were a key element in Mr. Benford's

Mr. Benford concluded that it was unlikely that physicists and engineers had some special preference for logarithms starting with 1.

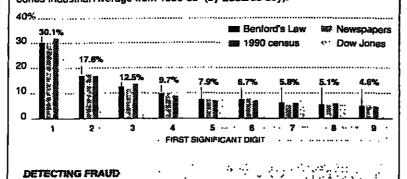
He therefore embarked on a mathematical analysis of 20,229 sets of numbers, including such wildly dis-

#### A Singular Phenomenon

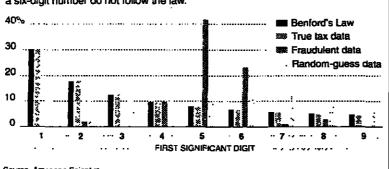
Frank Benford's 1938 theorem dealing with the prevalence of the number 1 as an initial digit is being used to spot fraud.

AN UNEXPECTED PATTERN

Very different sets of data follow Benford's Law within 2 percent, including numbers appearing on front pages of newspapers (collected by Mr. Benford), 3,141 county populations in the 1990 census (by Mr. Mark Nigrini) and the Dow Jones Industrial Average from 1990-93 (by Eduardo Ley).



The first digits of true tax data taken from the lines of 169,662 tax forms follow Benford's Law closely. But fraudulent data taken from a 1995 Brooklyn study of cash disbursement and payroll in business do not follow Benford's Law. Likewise data taken from 743 freshmen's responses to a request to write down randomly a six-digit number do not follow the law.



statistics, numbers in magazine articles and the street addresses of the first 342 people listed in the book "American Men of Sci-

All these seemingly unrelated sets of numbers followed the same firstdigit probability pattern as the worn pages of logarithm tables suggested. In all cases, the number 1 turned up as the first digit about 30 percent of the time, more often than any other.

Mr. Benford derived a formula to explain this. If absolute certainty is defined as I and absolute impossibility as 0, then the probability of any number "d" from 1 through 9 being the first digit is log to the base 10 of

(1+1/d). This formula predicts the frequencies of numbers found in many categories of statistics.

Probability predictions are often surprising. In the case of the cointossing experiment, Mr. Hill wrote in the current issue of the magazine American Scientist, a "quite involved calculation" revealed a surprising probability. It showed, he said, that the overwhelming odds are that at some point in a series of 200 tosses, either heads or tails will come up six

or more times in a row. Most fakers do not know this and avoid guessing long runs of heads or tails, which they mistakenly believe to be improbable. At just a glance, Mr.

Hill can see whether a student's 200 coin-toss results contain a run of six heads or tails; if they do not, the student is branded a fake.

Even more astonishing are the effects of Benford's Law on number sequences. Intuitively, most people assume that in a string of numbers sampled randomly from some body of data, the first nonzero digit could be any number from 1 through 9. All nine numbers would be regarded as equally

probable. But, as Mr. Benford discovered, in a huge assortment of number sequences — random samples from a day's stock quotations, a tournament's tennis scores, the numbers on the front page of The New York Times, the populations of towns, elec-tricity bills in the Solomon Islands, the molecular weights of compounds, the half-lives of radioactive atoms and much more - this is not so.

Given a string of at least four num-bers sampled from one or more of these sets of data, the chance that the first digit will be 1 is not one in nine, as many people would imagine; according to Benford's Law, it is 30.1 per-cent, or nearly one in three. The chance that the first number in the string will be 2 is only 17.6 percent, and the probabilities that successive numbers will be the first digit decline smoothly up to 9, which has only a 4.6

A strange feature of these probabilities is that they are "scale invariant" and "base invariant." For example, it does not matter whether the numbers are based on the dollar prices of stocks or their prices in yen or marks, nor does it matter if the numbers are in terms of stocks per dollar, provided there are enough numbers in the sample, the first digit of the sequence is more likely to be 1

The larger and more varied the sampling of numbers from different data sets, mathematicians have found, the more closely the distribution of numbers approaches what Benford's Law predicted.

One of the experts putting this dis-covery to practical use is Mark Nigrini, an accounting consultant affiliated with the University of Kansas who this month is joining the faculty of Southern Methodist University in Dallas.

Mr. Nigrini gained recognition a few years ago by applying a system he devised based on Benford's Law to some fraud cases in Brooklyn, New York. The idea underlying his system is that if the numbers in a set of data

like a tax return more or less match the frequencies and ratios predicted by Benford's Law, the data are probably

But if a graph of such numbers is markedly different from the one pre-dicted by Benford's Law, he said, "I think I'd call someone in for a detailed

Some of the tests based on Benford's Law are so complex that they require a computer to carry out. Others are surprisingly simple; just finding too few ones and too many sixes in a sequence of data to be consistent with Benford's Law is sometimes enough to arouse suspicion of fraud. Robert Burton, the chief financial

investigator for the Brooklyn district attorney, recalled in an interview that he had read an article by Mr. Nigrini that fascinated him.

"He had done his Ph.D. dissertation on the potential use of Ben-ford's Law to detect tax evasion, and I got in touch with him in what turned out to be a munually beneficial re-lationship," Mr. Burton said. "Our office had handled seven cases of admitted fraud, and we used them as a test of Nigrini's computer program. It correctly spotted all seven cases as involving probable fraud."

UT the fit of number sets with Benford's Law is not infallible. "You can't use it to improve your chances in a lottery," Mr. Nigrini said. "In a lottery someone simply pulls a series of balls out of a jar, or something like that. The balls are not really numbers; they are labeled with numbers, but they could just as easily be labeled with the names of animals. The numbers they represent are uniformly distributed, every number has an equal chance, and Benford's Law does not apply to uniform distributions."

Another problem Mr. Nigrini acknowledges is that some of his tests may turn up too many false positives. Various anomalies having nothing to do with fraud can appear for innocent reasons.

For example, the double digit 24 often turns up in analyses of corporate accounting, biasing the data, causing it to diverge from Benford's Law patterns and sometimes arousing suspi-cion wrongly, Mr. Nigrini said.

"But the cause is not real fraud, just a little shaving," he said. "People who travel on business often have to submit receipts for any meal costing \$25 or more, so they put in lots of claims for \$24.90, just under the limit. That's why we see so many 24s."

# Flood Toll **Up to 1,288** As Levees Fail in China

BELING — Waterlogged levees along China's flood-swollen Yangtze River have started to collapse, wreaking death and destruction on a massive scale, state media said Tuesday.

Torrential rains in southwest Sichuan Province also have triggered flooding that killed at least 20 people, pushing the known death toll from floods caused by unusually heavy — and early — summer rains this year to 1,288.

With a tropical storm and another flood tide expected, the threat mounted of further breaches along the already weakened levees that protect millions of people and rich farmland from the angize, the world's third-longest river.

Main Yangtze dikes remained intact but secondary levees were breached in at least two counties and at a city in central Hubei Province, "causing huge loss of life and property," the official China Youth Daily reported.

The newspaper gave no casualty figures. But a human rights group said 150 soldiers and human dreds of villagers were swept away when a levee suddenly collapsed Saturday in Hubei's Jiayu County, about 70 kilometers (43 miles) upriver from the industrial center of As of Monday, the bodies of nine

soldiers had been recovered, the Information Center of Human Rights and Democratic Movement in China said. The Hong Kong-based group said more than 1,000 were thought missing.

The official newspaper Yangcheng Evening News said about 400 soldiers were swept away when the levee that had been protecting 56,000 people in two towns collapsed. Soldiers and police pulled nearly 20,000 people from the water, the newspaper said.

In a bid to lower the Yangtze's waters, Hubei authorities cut 11 small dikes to divert flood waters, the official Xinhua news agency said. The strategy caused 400 million yuan (\$48 million) in flood damage but helped protect Wuhan city, it said.

More than 100,000 people lost their homes when a levee burst in Anxiang, in neighboring Hunan Province, on July 24, Xinhua reported.

In all, the Yangtze was threatening to burst its embankments in 3,200 places, and 1,800 of these possible breaches

were "major," Xinhua said Millions of soldiers and civilians for signs of collapse and plugging leaks, as waters on the Yangtze reached levels unseen since floods in 1954 killed more

than 30,000 people.

Typhoon Otto, which was raging in the Taiwan Strait on Tuesday night, was expected to hit the coast of the eastern province of Fujian on Wednesday, bringing with it torrential rains, the state meteorological office said.

"The storm should move northward to Jiangxi and Anhui provinces, putting heavy pressure on flood-affected areas cleaned the statue of Christ the Redeemer in Rio de Janeiro along the middle and lower reaches of the Yangtze," experts were quoted as -

### ■ Flooding in Central Japan

Fierce floods fed by the heaviest rain in a century swept across central Japan on Tuesday, killing one woman, bursting dikes, triggering landslides and for-cing thousands to evacuate. Agence

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ne digital display

- 23 - Jan

A man using a garden hose Tuesday to protect his home near Athens.

## TRAVEL UPDATE

### Forest Fire Hits Greek Village

ATHENS (Reuters) - A huge forest fire engulfed a village near Athens on Tuesday, destroying at least 20 homes, and threatened several other holiday communities, police said. No injuries have been reported in the blaze, which a local mayor has blamed on arsonists. Flames were racing through the village of Anthoussa, about 25 kilometers (15 miles)

northeast of Athens at the foot of Mount Pendeli and were lapping at the outskirts of the coastal resort of Lagonissi. The fire was also burning a summer camp for disabled children and threatening a state hospital. They had been evacuated, along with a monastery. More than 600 firemen

have been battling the blaze, which has razed thousands of acres of pine woods. Greece has been plagued by scores of forest fires this

summer including several around the capital. Three firemen and a volunteer were burned to death last month.

# St. Peter's Square Gets a Facelift

VATICAN CITY (Reuters) — Workers began cleaning the elegant colonnades around St. Peter's Square on Tuesday to prepare for Holy Year 2000, the celebration Pope John Paul has ordained to herald the start of the third millennium. Workers from Kaercher, a German company that has

and the Statue of Liberty in New York, will finish cleaning the 284 columns by the end of October. Finnair has agreed to expand its cooperation with Belgian carrier Sabena by sharing flight numbers and linking fre-

Iran Air plans to hire Japanese flight attendants to better serve Japanese tourists. Iran has also eased Islamic regulations in Kish. a tourist island in the Gulf.

(AFP) France-Presse reported from Tokyo.

# Heat Wave Causes Havoc Across East Europe

20 lives in Romania, buckled streetcar tracks in Hungary and smashed temperature records across the region.

Temperatures soared past

heat wave in half a century. In BUCHAREST — Eastern Bucharest, which has had tem-Europe is suffering from a peratures of at least 36 degrees three-week-old heat wave that centigrade every day since the day to avoid any heat-related has reportedly claimed at least first half of July, about 2,500 accidents, and has urged othpeople have called the capital's emergency services in the past four days, and 15 ambulances are on heat pairol. Hospitals in the city of 3

40 degrees centigrade (104 de million said that they were grees Fahrenheit) on Tuesday crowded with people who had in the southern Balkans re- suffered strokes, heart attacks. gion, which is having its worst sunstroke or had fainted.

Have you been to THE INTERMARKET today?

Don't miss it. A lot happens there.

The mayor of Bucharest, degrees centigrade in the Viorel Lis, is sending the city southern cities of Mykolayiv and Kherson. hall staff home at lunch every Attila Nadrai, head of Hun-

er employers to do the same. In Belgrade, several dozen people fainted on the hot sidewalks Monday on the hottest Aug. 3 in 111 years: 39 degrees centigrade.

Croatia's beaches were not offering much relief from the record-breaking heat: The Adriatic Sea was 26 to 28 degrees centigrade.

erations Monday when the tracks on one stretch buckled.

gary's National Meteorological Service, said a cool front was expected Wednesday, but the forecast for the region next week was for more heat.

### ■ 26 Drown in Turkey

people drowned in Turkey at the weekend as they bathed in rivers and the sea to cool off in a heat wave, the Anatolia In Budapest, public pools have standing room only and a streetcar line suspended operations. Monday when the standing room only and a streetcar line suspended operations.

At least 45 people have died as a heat wave baked Ukraine, which usually has central, southern and western mild summer weather, was areas of the country over the hit with record highs of 40 past two weeks.

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# WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather. Europe North America Asia A few showers and thunderstorms across the Madwest and the northern don and Pans Thursday Though Sabmday with lots Plains Thursday and Friday, then perhaps drying out on Saturday. Sunny and hot in the West, but a hot cooler along the coest. Party to mostly sunny and price in the Northeast, but hot and muggy in the Southeast.

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THE AMERICAS

# House Votes to Outlaw 'Soft Money'

House Votes to Outlaw Solidary

But Outlook for Campaign Finance Bill in the Senate Is Uncertain

By Alison Mitchell

New York Times Service

By Alison Mitchell

New York Times Service

While only 11 Democrats bucked their party to vote against it.

"As members of the House, you get an opportunity very few times in your shows each vote as it is cast. Mr. "as make a historic vote," Mr.

The make a historic vote, "Mr.

The make a historic vote, "As upport for the legislation shows a majority, cheers and apport to the legislation shows a majority, cheers and apport a majority, cheers and apport to the legislation shows a majority, cheers and apport to the legislation shows a majority, cheers and appoint to the legislation shows a majority, cheers and appoint to the legislation shows a majority, cheers and appoint to the legislation shows a majority, cheers and appoint to the legislation shows a majority, cheers and appoint to the legislation shows a majority, cheers and appoint to the legislation shows a majority, cheers and appoint the bill, while only 11 Democratic side their party to vote against it.

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"As members of the House, you get an opportunity very few times in your shows each vote as it is cast. Mr. "As upport for the legislation shows a majority cheers and appoint the bill, while only 11 Democratic bucked their party to vote against it.

"As members of the House, you get an opportunity very few times in your shows each vote as it is cast. Mr. "As upport for the legislation shows a majority cheers and appoint the bill, while only 11 Democratic bucked their party to vote against it."

that Mr. Solarz should have revealed his connections with India before ad-

involved in the hearing should put that in the public record."

The Shays-Mechan legislation would effectively ban unlimited, unregulated donations to the political parties - or 'soft money." If was soft money that led to the abuses in the 1996 presidential

The bill would also curb issue advocacy commercials by outside groups in the 60-day period before an elec-

Uncertain of the outcome, even as the Fifty-one Republicans broke with vote began House members - includ-

#### their party leadership to support the bill, while only 11 Democrats bucked their in the cavernous House chamber staring up at the large electronic board that shows each vote as it is cast. Mr. Gingrich, who usually does not vote, this

As support for the legislation surged past a majority, cheers and applause erupted on the Democratic side of the

To get to Monday night's vote, the bill's sponsors had to surmount months of challenges as the Republican leadership first tried to block the legislation from the floor and then tried to subject it to scores of amendments designed to fracture the bill's coalition.

Despite the House's endorsement of the legislation, the Senate is considered unlikely to take up campaign finance legislation before it recesses in Octo-

Recapitulating weeks of late-night debate, the House one more time Monday clashed over whether the bill's limit on political fund-raising would restore integrity to a political process drowning in special interest money or whether it would limit free speech and alter the balance of power between the political

Trying to prevent any last-minute Democratic defections, the two senior Democratic leaders of the House took part in the closing debate to make impassioned pleas for the legislation.

"There is a national crisis of confidence in our system of campaign financing," said Representative Dick Gephardt of Missouri, the minority

"It is a crisis of confidence that cuts across party lines and should disturb all of us as Democrats, as Republicans, as Americans," Mr. Gephardt said.

Several Republicans argued that their party — which has had a traditional fund-raising advantage — would be hurt because the measure does not prevent organized labor, which generally backs Democrats, from devoting union

dnes to political campaigns.

"To my Republican colleagues, let me just simply say this is not reform," said Representative Tom DeLay of Texas, the majority whip.

"This is not good government," he said. "This is political disarmament. It does nothing to protect union members from forced union dues while putting shackles on our traditional supporters. He accused some Republicans of voting for the measure simply because they thought the Senate would be sure to kill

The bipartisan coalition backing the Shays-Meehan bill countered by turning to a conservative member of the rebellious Republican class of 1994 to make their closing argument.
"Vote yes on this bill," implored

Representative Zach Wamp of Tennes-

see. "It's the moment of truth. The truth

is this bill is as fair to Republicans as

Silicon Valley software entrepreneur, Ron Unz, replaced bilingual education with a year of English language immersion. Except in charter schools, students are

then to be pushed into main-

The end of bilingual edu-

June Harden, who now uses

her maiden name, said she

stream all-English classes.

By William Booth

Washington Post Service

LOS ANGELES - The

sweeping social experiment

known as bilingual education

has officially ended in the

state where it began. Confu-

sion reigned in many Cali-

fornia school districts and de-

fiance in others as teachers

struggled to switch from

Korean, Armenian and Span-

ish to all-English, all the time,

often without the help of text-

open for another few weeks,

officials were still holding out

against implementation of

Proposition 227, the voter ini-

tiative that passed with over-

whelming support on June 2.

The initiative, sponsored by a

In Oakland and San Fran-

books or lesson plans.

largest state in the union and little Madeline: the one with the largest im-migrant population, is being states also facing influxes of straight lines." immigrant children. Reflecting resentment over the derstood almost every word spreading challenge, a bill (vine was a tough one), and

Congress. the change began Monday in Los

cisco, where schools do not Angeles. In Maria Elena Crabb's first day with her new second-

> grade class at most exclusively in Spanish found their teacher introduchildren, in their new blue and white uniforms, sat squirming on the floor at her feet, Mrs. Crabb began read-

that was covered with vines, closely watched by other lived 12 little girls in two Some of the children un- that students are well served

"In an old house in Paris

curtailing funding for bilin- waved their hands in the air to gual education has been in- answer questions. But others their primary languages, and

asked Mrs.

where a new

Crabb

'Total

In

semester

The end of drawn. "You bilingual education in California is being watched by other states with an blanks. Angeles,

immigrants.

Lucia Espinoza teaching from an English text to her elementary students in Cudahy, California, during the

first day of the implementation of Proposition 227. She had to explain, in Spanish, the word "giggle."

California Bilingual Experiment Ends

Amid Confusion and Defiance, Schools Begin Switch to All-English

started Mon-Alexandria Avenue Element- day at 50 year-round schools, ary School here, students who the district is replacing bipreviously were taught al- lingual education with two alternatives. In the first, students are taught exclusively cing herself in English. As the in English. Under the second, students, such as Mrs. Crabb's second-graders, are also taught mostly in English, but their teachers are allowed

> cepts and words in Spanish. How much Spanish?

is a precious resource and I'm adherence to a court order. telling my teachers not to waste it. But Ms. Labrow promised

that no students would be teaching students whose punished for speaking their primary language is not Eng-primary languages. "I'm not lish. going to have a bunch of kindergarteners out on the Proposition 227, schools had

do in Spanish," she said. The termination of bilingual education has produced bitter feelings among many of its advocates, who believe such as math and science in seemed lost then being "transitioned" inand with to all-English classes after several years. Many bilingual Proposition 227 was racist

and anti-immigrant. But opponents of bilingual education describe it as a failed experiment that became bogged down, where students spent years learning Spanish and not English, the language immigrant children most need

In California, only 7 percent of bilingual students tion" each year.

Waldemar Rojas, the San Francisco superintendent, has said he plans to continue offering bilingual education, as the school district is still under a federal court order dating from the 1970s.

cation in California, the ing from the storybook about to occasionally explain con-That order, the so-called Lau decision, began the bi-'Nobody knows," said lingual age by guaranteeing explained it to us, before we jas said the decision to con-had a full cup of Spanish. tinue bilingual education is Now we have a quarter cup. It not an act of defiance, but

Over the last 20 years, California educators created an elaborate bureaucracy for

But with the passage of playground crying because only 60 days to come up with no one will tell them what to a new way to teach.

#### POLITICAL NOTES

## Solarz's Testimony On India Criticized

that would overhanl the way America's

The relatively strong 237-186 showing Monday night for the measure, sponsored by Representatives Chris-

topher Shays, a Connecticut Republi-

can, and Martin Meehan, a Massachu-

setts Democrat, makes it likely that it

will be the one to prevail against several

competing proposals still to be con-

political campaigns are financed.

WASHINGTON — When former Representative Stephen Solarz test-ified before the Senate Foreign Re-lations Committee in May on India's recent nuclear weapons tests, he made a number of strong arguments that, instead of punishing India with sanctions, the United States should welcome that nation into the world's official club of nuclear powers.

At the time, he and his lobbying firm, APCO Associates Inc., were actively bidding to represent the government of India in Washington. Several weeks later, APCO and the

law firm of Verner, Lipfert, Bernhard, McPherson & Hand signed contracts to help improve India's image in Washington, according to re-cently released disclosure forms. According to Amar Sinha, the In-

dian Embassy's counselor for press information, APCO and other firms had begun bidding on the new lob-bying contracts several weeks before Mr. Solarz, a New York Democrat, "He is a very well-known friend of

India," Mr. Sinha said: "If you look at his testimony over the past 10 years, I think he's been very consistent. But the legislative director of Com-mon Cause, Meredith McGehee, said

vising the committee.
"The real loser in this situation is the American public, who has no chie about what's going on here," Ms. McGehee said.

"People that either have business or are seeking business with interests

Mr. Solarz was away on business in Uzbekistan and unavailable for com-

# Gergen to Teach At Kennedy School

CAMBRIDGE, Massachusetts -David Gergen, the political pundit and former presidential adviser, will join the faculty of Harvard University's John F. Kennedy School of Government as a professor of public service, the university said.

Mr. Gergen, 56, a former fellow at the Kennedy School's Institute of Politics, has served as an adviser to four presidents, including Ronald Reagan and Bill Clinton.

Beginning in the spring, Mr. Gergen will teach graduate courses in presidential leadership and commu-

# Quote/Unquote

Senator Joseph Lieberman, Demo-crat of Connecticut, discussing the allegations against President Bill Clinton on CNN on Sunday: "This episode is sorry, and it is sordid, and it has brought down not only our government and the head of our government, but the whole country....I mean, the very fact that I have not been able to automatically let my young daughter sit with me and watch the news any more tells you what has happened here. And, honestly, we don't know yet whether we — about this degradation of our process and our culture to some extent - we should blame the president, Ms. Lewinsky, Ms. Tripp, Judge Starr, or the media, or all of them to some extent. But the fact is, it's had an effect, and it's not a good one."

# Frequent-Flier Miles a New Issue on Divorce Battleground the Alexandria principal, lessons in a language the student can understand. Mr. Rojan dent can understand.

By Caroline E. Mayer

Washington Post Service WASHINGTON — It's not just the house, the cars or ford Ain, a judge "thought I the mutual funds — it's also was out of my mind" for raisthe mutual funds — it's also

Away From Politics

A serial killer has been preying on

New York City's pigeons, dosing bird

food with pesticide so lethal that some

victims die before they are even fin-

ished swallowing. Authorities said the poisonings could affect larger birds

and even humans. Bird food or bread

crumbs laced with a highly toxic pesti-

cide called carbofuran have been left

More than 60 birds, mostly pigeons

33 Run out

34 Cuts off

and sparrows, have died.

heritance disputes. A decade ago, said a Washington divorce lawyer, San- of the currency of life.

in divorce settlements and in- billion miles to their frequent- ticed in the last few years. flier accounts every year, these miles have become part

In many family disputes, the flier miles are "routinely ing the issue. But now, when raised," Mr. Ain said. Di-Increasingly, frequent-flier an estimated 57 million vorce lawyers say this is a miles are becoming an issue Americans add another 400 growing trend they have no-

Medical Association. A former gov-ernment health official got \$6,000 for a who had never lied to the American

• The Justice Department accused a Montana, of Russell Weston Jr., the

Consider the case of a Connecticut couple who divorced after 29 years of marriage. John Rod Calarco was a broadcasting executive who traveled extensively for his

are among items that agents found at

the mountain cabin near Helena,

"felt entitled to get half. I don't have a business where I travel," said Ms. Harden, who is a dental hygienist. job, earning hundreds of thousands of miles. His wife,

Late last year, a judge agreed, giving her 200,000 of the 400,000 miles as well as the \$480,000 house, half of her former husband's accrued discrediting a 1993 federal report that inal to enter the United States more than pension and a quarter of his employee investment fund. linked secondhand smoke to lung can- 40 years ago and asked a federal judge Mr. Calarco said he did not cer, the Saint Paul Pioneer Press re- in Manhattan to revoke his citizenship. have a problem giving his former wife the miles. But he ported. According to documents re- the first step to his deportation. A lawleased in Minnesota's tobacco trial and yer for the man, Jack Reimer, a former reviewed by the newspaper, one bio-statistician received \$10,000 to write a sharply criticized the government's evsaid: "Do I think she earned the miles? Was she the one letter to the Journal of the American idence and said that his clientwas a who sat on the airplanes and

> over the world? No." A Connecticut judge also awarded Allison Gallagher 50,000 miles, 25 percent of her husband's frequent-flier miles, in her 1996 Connecticut divorce.

ran through the airports all

Compared with the thousands of dollars she and her husband were disputing in divvying up the home, cars and pension funds, "it was an extremely minor issue," said Ms. Gallagher, whose former husband declined to comment. Still, she said, "you ask for a little bit of everything" in a divorce.

The frequent-flier guru Randy Petersen calculates that 57 million Americans are members of frequent-flier clubs; each year these programs grow by a net of 400 billion miles.

In all, airlines now are liable for "close to 3 trillion miles," said Mr. Petersen, editor of the publication Inside Flyer. Not all of these miles are redeemed and many expire after a set time period. In some cases there are so

many miles involved, people could go to the moon and back," a New York divorce lawyer, Raoul Felder. said. "So naturally, in cases where everything is a battleground," frequent-flier miles become as contentious an issue as who gets the season basketball tickets or the family silver, he said.

Most airlines are reluctant to transfer miles from one person to another in divorce cases, saying it violates company policy. Still, many say they will abide by a court or-

der or permit one spouse to award free tickets to another. Frequent-flier miles also are becoming a more frequent issue in inheritance disputes, Mr. Petersen said.

In Virginia, several children vigorously fought to keep their father's second wife from inheriting all of his frement-flier miles. Rhonda Macdonald, an attorney, said.

Under the airline's policy the hundreds of thousands of miles earned by the father could be transferred only to the surviving spouse. But under Virginia law the children were entitled to two-thirds of their father's assets. Determined to get all that rightfully belonged to them, "they got down to the nitty-gritty and fought over every penny," including the miles.

Even so, the airline would not relent, Ms. Macdonald said, and the wife ended up with all the miles.

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# **CROSSWORD**

than a dozen scientists to write letters ing about his past as a Nazi war crimitol police officers.

13 scientists were paid more than

manuscripts, the records show. (AP)

The tobacco industry paid more 79-year-old retired businessman of ly-man accused of killing two U.S. Cap-

around Manhattan, investigators said. \$156,000 for their letters and The FBI says guns and a spy book

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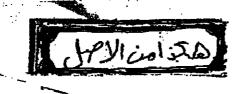
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THE WORLD'S DAILY NEWSPAPER



### ASIA/PACIFIC

# Malaysia's Leader Fires Hot Words at Singapore

# Ties Strained Over Water and a Checkpoint

By Thomas Fuller International Herald Tribune

KUALA LUMPUR—Relations between Singapore and Malaysia — rocky during the best of times -hit a new low Tuesday as disputes over water supply to the island republic and a railway border checkpoint came to a boil.

"Malaysia is not a nation that likes to create problems for others," Prime Minister Mahathir bin Mohamad of Malaysia told a crowd of 10,000 roaring supporters. "We do not have a big army to attack anyone. We have tried to be good neighbors. But don't take us for

Speaking in a stadium in Johor Baru, a few kilometers from the border with Singapore, Mr. Mahathir criticized Singapore for asking Malaysia to move its immigration and customs checkpoint from Tanjong Pagar, a railway station in central Singapore.

Diplomats and analysts say Malaysia and Singapore have always had many outstanding disputes — among them water and the railway checkpoint. But underscoring this latest war of words are problems related to the regional eco-nomic crisis, they said.

"There's never been a standoff quite like this," said Abdul Razak Abdullah Baginda, executive director of the Malaysian Strategic Research Center, a think tank in Kuala Lumpur. "There's a fundamental problem in the relationship. And there's a feeling that some quarters are exploiting the economic

SEOUL - Foreign Minister Park

Chung Soo resigned under pressure

Tuesday for muffing a diplomatic dis-

pute with Russia over espionage ac-

tivities, a presidential statement said,

adding that Mr. Park "expressed his

apology for causing concerns to the people over Korea-Russia relations."

Resigning with an apology is gen-

erally viewed as diplomatic cover for being dismissed. "That is the way it should be perceived," a Foreign Min-

Mr. Park was replaced by Hong Soon

Yung, an ambassador-at-large and

former envoy to Russia, whose appoint-

ment was immediately welcomed by

s known in Kui

The issue of the border checkpoint, which has dominated headlines in both countries for several days, is enveloped in controversy over decade-old deals

signed between the two countries. The issue revolves around the fact that Malaysia controls land around the railway station and would have to give it up if it leaves the checkpoint.

'We have been considerate but what did we get in return?" Mr. Mahathir said. "They have asked us to leave Tanjong Pagar when we supply them with water."

Witnesses said the crowd, in response to Mr. Mahathir, chanted: "Cut, cut, cut," a reference to the water pipeline that runs from Singapore to Malaysia. Singapore gets about half of its drinking water from Malaysia.

Chief among the disputes linked to the economic crisis are the relatively high interest rates that Singapore banks offer for ringgit deposits — sucking the Malaysian currency out of the cash-strapped country, and disappointment on Malaysia's part that Singapore, which has fared better during the crisis, has not been more forthcoming with assistance.

Malaysians also complain that Singa-

oore has locked in the deposits of the hundreds of thousands of Malaysians working in the island republic through a mandatory savings plan.

Most important to Singapore is water. The tiny nation of 3 million people has two agreements with Malaysia that expire in 2011 and 2061. Singapore is seeking a third agreement with Malaysia guaranteeing water beyond 2061.

tionship between Russia and Korea,'

said a Russian Foreign Ministry spokes-man, Vladimir Rakhmanin. "We hope

his appointment to this senior post will

enable us to make further progress."
Relations between South Korea and

Russia became strained last month

when Russia expelled Cho Sung Woo,

an intelligence officer in the South

Mr. Cho had been caught receiving clas-

sified material from an official in the

Foreign Ministry's First Asian Depart-

ment. Seoul retaliated by expelling a

Russian diplomat, Oleg Abramkin.

In an attempt to end the row, South

Korea said it would withdraw five dip-

lomats from its Moscow embassy. In a

The Russian Foreign Ministry said

Korean Embassy in Moscow

ant develop

# 22 in Bombay Killed In Building Collapse

BOMBAY - Rescue workers used bulldozers and blowtorches on Tuesday
to clear loose rubble and try to reach
survivors of a building collapse that
killed at least 22 people, officials said.
Twenty people were injured and

many were missing under the debris of tangled concrete and steel, all that remained of the seven-story Bombay apartment building that collapsed Monday night.

. "We are just waiting to see if there are any miracle survivors," said V.V. Rao, the chief fire officer, "but the chances are remote.

The Govind Tower building, in the middle-class suburb of Bandra, had shops on the ground floor and a cheap hotel on the top three floors.

The rest of the building was divided

into 18 apartments, many of whose occupants were believed to be inside when it collapsed.

Officials said most of the people were trapped in bathrooms or on staircases as they either took shelter or fled when the building began to shudder minutes before it came down.

Local residents believe 70 people

BRIEFLY

# Hun Sen Rivals Seek Recounting of Votes

PHNOM PENH --- As a small number of votes were recounted from the parliamentary election last week, Cam-bodian opposition leaders renewed de-mands Tuesday for action on their complaints about electoral fraud before they consider joining the Cambodian leader,

Hun Sen, in a coalition government.

"No coalition will be discussed before the recounting is complete," Sam Rainsy said after meeting his oppo-sition ally, Prince Norodom Ranar-

iddh, early Tuesday. Mr. Hun Sen's Cambodian People's Party is the top vote-getter in 18 of the 21 electoral districts whose results have been announced so far. Complete preliminary election results were expected to become known Wednesday, when the last two districts were to be

Controversy over the election seemed likely to increase as it became known Tuesday that a prominent member of the official National Election Committee had resigned from its

A bulldozer being used in the search for survivors on Tuesday after the collapse of a building in Bombay.

The member, Kassie Neou, a re-

spected human rights worker who is considered one of the few independent voices on the committee, declined to

# Sri Lanka Declares **Emergency Rule**

give a reason.

COLOMBO - The Sri Lankan government imposed emergency rule across the country on Tuesday, a move that gives President Chandrika Bandaranaike Kumaratunga the power to postpone provincial elections scheduled this month.

In an executive order, Mrs. Kumaratunga said the emergency was imposed "in the interest of public security, the protection of public order and the maintenance of supplies and services essential to the life of the

Elections have been scheduled for Aug. 28 in five of the country's eight provinces. Military leaders have expressed concern that troops needed to fight separatist Tamil rebels in the north would have to be redeployed to

secure polling booths. The new regulations give security forces wide powers to search, detain

# 19 Are Killed In Kashmir **As Clashes** Enter 6th Day

SRINAGAR, India - Guerrillas in India's tense Kashmir region killed 19 people from three families Tuesday as cross-border firing by India and Pakistan ran into its sixth day, officials

In New Delhi, meanwhile, Prime Minister Atal Bihari Vajpayee reiterated his resolve to talk peace with Pakistan.
Suspected separatist guerrillas
gunned down 19 people as they slept at
Salina, 45 kilometers (27 miles) from
the town of Poonch, K.B. Jandial, a state government spokesman, said by phone from Srinagar, the summer capital of Indian-held Kashmir.

"Some women and children were

there," he said. Poonch, about 250 kilometers northeast of Jammu, the winter capital, is near the disputed border that divides the twothirds of Kashmir held by India from the third held by Pakistan.

Mr. Jandial said earlier that an Indian soldier had died in Pakistani shelling overnight in the Poonch area.

More than 80 people, most of them civilians, have been killed since Thursday, victims of particularly heavy crossborder shelling. In addition, Pakistan's senior state minister, Ishaq Zafar, said Tuesday that at least 52,000 people had been displaced in Pakistan-admin-istered Kashmir during the six days of

cross border firing.

In a separate incident, 24 people were wounded Tuesday when suspected separatists threw a grenade into a crowded marketplace in the heart of Srinagar, the police said.

Relations between India and Pakistan, which have fought two wars over Kashmir since their independence from Britain in 1947, have taken another turn for the worse since May, when the two countries staged nuclear tests.

Speaking Tuesday during a foreign policy debate in the lower house of Par-liament, Mr. Vajpayee said India would continue to pursue peace with Pakistan despite rising tensions. "It is necessary that our ties improve." he said.

Pakistan calls Kashmir the core issue in bilateral relations, while India says trade and other issues are equally important. New Delhi has also rejected Islamabad's call for outside mediation in bilateral relations.

Pakistan has denied India's charges that it is arming Kashmir guerrillas but has said that it does provide moral and

diplomatic support.

More than 25,000 people have died in Jammu and Kashmir. (Reuters, AFP)

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**EUROPE** 

# **Finance Chief Vows Tax Cuts**

# If Germans Re-elect Kohl

BONN — Finance Minister Theo Waigel said Tuesday that if the governing coalition was re-elected in September, it would cut income taxes noticeably next year, and he urged a reorganization of state and federal revenue sharing to bolster competitiveness.

Mr. Waigel promised voters that if the coalition emerged victorious in the general election Sept. 27, the first order of business would be so introduce a bill aimed at cutting income taxes by up to 30 billion Deutsche marks (\$17 billion)

The finance minister charged the opposition Social Democrats with planning tax increases if they win the election.

"We, on the other hand, plan to cut tax rates in a way that will be felt by everyone," Mr. Waigel said. "We will put forward our ideas again the day after the general election is word; that entitled.

He presented a report that outlined plans to reintroduce the government tax bill in two steps in 1999 and 2000. The plan calls for cutting the top income tax rate for individuals to 39 percent from the current 53 percent as

well as cutting corporate taxes.

The Social Democratic Party dealt the government an embarrassing defeat last year when it used its majority in the upper house, or Bundesrat, which represents the federal states, to torpedo Mr. Waigel's income tax cuts, saying they were unbalanced.

The Social Democrats' campaign was masterminded by the party chairman, Oskar Lafontaine, pegged to be finance minister if the Social Democratic candidate, Gerhard Schroeder, defeats the incumbent, Chancellor Helmut Kohl.

Mr. Lafontaine has criticized the government's belt-tightening policy, saying it chokes private consumption at a time when additional private spending is needed to bolster the economy.

He said the government was trying to run the state like a company, cutting costs to meet the challenges of globalization, and added that was the reason

for Germany's high unemployment.

But Mr. Waigel said Mr. Lafontaine intentionally scuttled the tax plan to satisfy his own thirst for power.

While most Germans feel taxes are too high and believe Mr. Kohl's coalition is most likely to lower them, the Social Democratic Party is leading in polls ahead of the election.



Chancellor Helmut Kohl pouring a glass of apple juice during his vacation in Austria, where he was interviewed by German television.

# Despite Polls, Kohl Is Confident Last Weeks Will Determine Outcome, German Leader Says

BONN — Unfazed by recent polls that show his Christian Democrats trailing, Chancellor Helmut Kohl said Tuesday that he expected to win the elections in September, which would be his fifth consecutive victory.

The outcome, Mr. Kohl said on RTL television, in a traditional summer in-terview from his Austrian vacation spot, will be decided in the last weeks of the

campaign.
"I am sure that we will win the elec-tion," Mr. Kohl said. "I think that the decision will be made in the last four weeks, and there is still a lot of move-

U.S. arms manufacturers is a goal of

Washington's foreign policy.
Of all regions, the Middle East con-

tinues to have the deepest hunger for

new weapons, the report says, and the

United States continues to be its most

U.S. allies in the region have re-

ceived, among other weapons, 116 su-

personic aircraft, 1,358 surface-to-air

missiles, 1,332 tanks and self-propelled

guns and 72 helicopters in the last four

From 1990 to last year the United States signed contracts to sell \$44.1 billion in weapons to Middle Eastern

France is in a position to overtake the

reliable supplier.

years, the study says.

nations, the report says.

Recent polls show that two-thirds of Germans expect a change in government after the Sept. 27 elections. The edge is going to the rival Social Democrats, leading recent polls with 41 per-cent to the Christian Democrats' 37

But Mr. Kohl said he expected high voter turnout, upward of 80 percent, to help his conservative coalition by mak-ing it more difficult for smaller parties to get the 5 percent they need to enter Parliament.

He said a vote for the junior coalition partner, the Free Democrats, should not be considered a vote for the present governing coalition.

# **Emergency Treatment Saves Havel**

Czech President Was on Verge of Death During Night, Doctors Say

PRAGUE — President Vaclav Havel underwent emergency cardiac electroshock therapy to save his life Tuesday, after his heartbeat became irregular, in his most serious health scare since 1996,

doctors said. Dr. Boris Stastny said the 61-year-old leader had been "in danger of dying for half an hour" during the treatment early Tuesday, as his pulse rate rose to 200

beats a minute. "For most mortals that would have

been fatal," he said.

Mr. Havel's personal doctor, Ilja Kotik, said at a news conference: "A normal cardiac rhythm was restored due to an electroshock and intensive medication therapy applied over two

The president's condition was stabilized only after several hours of intensive care following the drama in the early hours of the morning, one day after he was rushed into surgery after com-

plaining of serious breathing problems. Dr. Kotik said that a lung infection, feared to be the early signs of pneumonia, was not as serious as first thought but that doctors were continu-

ing to monitor it.

Mr. Havel felt all right by Tuesday afternoon after his temperature fell and his breathing became easier, Dr. Kotik added. Ultrasound tests on his heart

indicated it was functioning normally. Mr. Havel has suffered repeated health scares in recent years, including the removal of a cancerous turnor from his right lung in December 1996 following a bout of pneumonia - and a

further bout of pneumonia last year. Long a heavy smoker, Dr. Havel gave up cigarettes on medical advice after the cancer operation.

Dr. Kotik said that the heart problem was the most serious since that time. Earlier, Mr. Havel's wife, Dagmar, said her husband had spent a difficult night but was feeling better.

"I feared for him all night," she told the Czech press agency CTK, "But this afternoon he seems to feel better.

The scare arose Monday after Mr. Havel underwent a tracheotomy — a ocedure in which a small hole is made in the trachea at the base of the throat to aid breathing — at the Prague-Streso-vice Military Hospital.

That operation had been decided on after he reported breathing difficulties and developed a fever following a, routine operation July 26 to remove an intestinal device device inserted during surgery in Austria in April.

The tracheotomy was the most recent of several for Mr. Havel in the last 19 months.

It was performed by Dr. Ernst Bodner, the Austrian surgeon who performed emergency surgery on him on' April 14 when he was taken ill while holidaying in the Austrian Tyrol.

Dr. Bodner has postponed his return to Austria following the new surgery.

#### BRIEFLY

### 10 Missing in Berlin After Building Blast

BERLIN - Up to 10 people, including a 13-year-old boy, were missing Tuesday after a suspected gas explosion reduced a Berlin apartment block to rubble, German rescue work-

The police said at least 9 of 19 residents were known to be safe. Some were rescued from the rubble, while others were able to free themselves. The cause of the blast was not known,

but a gas explosion was a likely possibility, a police spokesman said.

Fire officials said the 13-year-old was believed to be in the rubble. His parents, who were able to walk from the building, said the boy had been in their ground-floor apartment at the time of the blast. (Reulers)

#### U.S. Approves Sale Of Stingers to Greece

WASHINGTON - The U.S. Defense Department has approved the potential sale of 1,322 Stinger missiles, 188 launchers and support equipment to Greece at a cost of \$150 million.

The Pentagon said Monday that the proposed sale would "contribute to the foreign policy and national security of the United States by improving the military capabilities of Greece" and enhance the obility of NATO militaries to cooperate with common weaponry. It would not affect the military balance of the region, the

#### Hopes Fade for Men In Austrian Mine

LASSING, Austria — Rescue efforts to find 10 men buried in an Austrian mine continued Tuesday, but some experts left as hopes of finding anyone alive faded to virtually nil.

The departures came after it was confirmed Monday that no signs of life had been found in an underground cavity where the 10 might have taken refuge. Rescue officials said the decision to continue was made after doctors said it was theoretically possible for the men to survive for two months, if they had oxygen and water.

The 10 men were buried in a cave-in on July 17 after going to the aid of a Georg Hainzl, 24, was rescued on July

# Irish Act on Refugees

DUBLIN — The Irish government said Tuesday that new immigration

laws would make trafficking in refugees a criminal offense after a recent influx of stowaway immigrants arriving on ferries from France.

The regular discovery of stowaway immigrants on ferries from Britain and France has overwhelmed Ireland's previously small asylum applications

process system. A backlog of about 6,000 applications has meant that immigrants have been able to stay for an average of three years before a decision is taken. In 1992 there were 39 asylum seekers. Last year 3,383 arrived. (AFP)

#### Yeltsin Takes a Break

MOSCOW - President Boris Yeltsin flew to Russia's picturesque Valdai district Tuesday to resume the summer vacation he interrupted last week citing economic crisis, the Kremlin said.

Mr. Yeltsin was expected to be back in Moscow by the second half of August to meet several visiting foreign

#### For the Record

A police chief and the mayor of Ajaccio, the capital of Corsica, were questioned Tuesday following the theft of 23 police handguns from the city half police armory. (AFP)

# In World's Arms Bazaar, U.S. Keeps the Top Spot

### But Russia and France Are Catching Up Fast

By Tim Weiner

New York Times Service WASHINGTON - The United States remains the world's biggest arms merchant, filling the developing world's arsenals with billions of dollars in weapons, but Russia and France are poised to overtake the United States, a government report reveals.

與宣《其下三章登记》

The study, by the Congressional Research Service, says the United States retained its No. 1 position in the weapons trade, which it has held for seven years, by selling \$15.2 billion worth of weapons last year, a 44 percent share of the shrinking arms market.

Russia and France are in a dead heat in the competition for sales pacts, says the report, which is based in part on data compiled by the Central Intelligence Agency. The sales agreements, not all of which are carried out, indicate trends in The report shows that sales by the

United States and other nations to the developing world are slowing. There has been a steady decline in most sectors of the trade since the end of the Cold War and the Gulf War. The arms bazaar of the 1980s and

early 1990s in Asia and the Middle East has calmed, in part because of the Asian economic crisis, which has prevented nations from striking huge new deals.

Another factor is the long slump in crude-oil prices, helping slow purchases

by Saudi Arabia, once the biggest buyer of U.S. weaponry. The Saudis have also been constrained by the huge costs they incurred in helping finance the Gulf Developing nations are still the

biggest buyers of U.S. weapons. Last year, the United States delivered attack helicopters and a variety of missiles to Taiwan, missiles and torpedoes to Egypt, multiple-rocket launchers and airborne-jamming equipment to South Korea and air-defense communications equipment to Saudi Arabia.

Saudi Arabia, with \$11 billion in new weapons deliveries, and Taiwan, with \$9.3 billion, were by a 10-fold factor the largest buyers among developing nations last year, far outstripping their nearest competitors, Egypt, Iran and

They will soon have a new rival. In May, the United Arab Emirates announced that it would buy 80 F-16 fighters, including weapons and support systems, a deal worth an estimated \$7

U.S. policy on weapons sales was set by an order signed by President Bill Clinton in 1995, Presidential Decision Directive 34. It says the sales are "a legitimate instrument of U.S. foreign policy. The policy makes clear that increasing the sales and market share of

**BIGGEST SELLERS** Arms deliveries to the



\$15.2 billion





United States as the region's biggest arms suppliers, the report states.

Asia is the second-biggest regional market, and Russian sales to India, **BIGGEST BUYERS** 

China and Vietnam have given it the biggest share of arms-transfer agreements in the region. From 1994 to 1997, Russia concluded \$29.6 billion in agreements to Asian nations, more than 40 percent of

that market. Over all, however, the

United States has led the field in the From 1990 to 1997, it delivered \$53.4 billion of weapons to the developing world, far outstripping Britain, Russia

and France, the study shows. The figures in the annual report for U.S. sales include just government-approved military sales, not commercial sales of components and spare parts.

#### The Global Arms Bazaar

The United States leads the way in arms sales around the world. Figures are adjusted for

world, by supplier, 1997.





Value of arms delivered from 1994 to 1997.

\$4.5

# Law to Halt Buying of Sex Stirs Swedes

STOCKHOLM — A new law making it illegal to buy sex in Sweden has prompted a national debate over fears the country's sex industry will be driven

from Eastern Europe. Swedish social workers argue the law, due to come into effect in January, creates ideal conditions for pimps to ensnare prostitutes and puts sex workers at increased risk of violence and ex-

But a politician, Inger Segelstrom, chairwoman of the governing Social Democrats women's committee, is defending the move.

It is time to stop coddling people that go to prostitutes. People should not be able to buy women for money," Ms. Segelstrom told the daily newspaper Dagens Nyheter.

"The pimps are already here. Two-thirds of prostitutes work indoors, which means the trade is already organized. It's been like this for 20 to 30

A debate over the new law emerged this week after social workers in Stock-

in the number of prostitutes from Baltic nations and Eastern Europe coming to

work in the Swedish capital. On Sunday night police raided an underground and hijacked by pimps inner-city brothel allegedly run by two

The raid followed reports by one woman of violence. The police believe the brothel was

linked to organized crime in Estonia and was just one attempt to establish a foothold in Sweden's sex industry. 'It is not hard to go over and get new

girls" in Estonia, a police spokesman, Per-Uno Hagestam, told Swedish me-dia. "As it is linked to Eastern Europe, the conditions at the club were sig-nificantly harder than at other porn clubs in the city. We are talking about white slave trade."

For the price of 1,500 kronor (\$188), the spokesman said, "You can do what

you want with a girl for an hour.' A telephone survey conducted by Dans Nyheter and published on Tuesday found that most Swedes thought the law would drive prostitution off the streets.

Most people thought "the law is just a

bag of air, it reported. "I want to get rid of oppressors of women, but I think that if you outlaw prostitution it will just make the industry more organized," said one respondent.

Some were in favor of the law, which will carry a six-month jail sentence or a fine for anyone caught buying or attempting to buy sex.

If there is a risk of jail, then people will think twice before buying sexual-services," said Nils-Gunnar Lind, who took part in the survey.

'You only need to think of the father of a family who takes money from the house accounts to go to a prostitute. Criminalizing this is good for families and for the women.

Sweden, with a population of 8.8 million, is estimated to have about 2,500 prostitutes, but the sex trade is barely: visible, with streetwalking restricted to one small area behind Stockholm's:

The new law is the product of a prostitution investigation committee set up

# Islamist Playwright Gets 24 Years For 'Insulting' Turkish Military

ANKARA — A Turkish court sentenced Tuesday an Islamist playwright and actor to 24 years in jail for a play that allegedly insulted the country's powerful armed forces, the Anatolian press agency said.

It said the Ankara court found Mehmet Vahi Yazar guilty of "provoking hatred by highlighting class, ra-cial or religious differences between in his play, "An Enemy of Four other members of the cast re-

ceived 16 years in prison on the same

charge, often used to prosecute Islamist politicians or journalists. A performance of the play last year in the eastern province of Erzurum outraged secular authorities who said the drama encouraged revolt by portraying the military as an obstacle to the establishment of a state based on Islamic

Turkey's armed forces have inspired a judicial crackdown on political Islam since forcing the collapse of modern Turkey's first Islamist-led government

The generals say it is their duty to rotect overwhelmingly Muslim Turkey's secularist constitution. Turkish state religious authorities are to take control of about 180 privately run mosques as part of a new anti-

Islamist law demanded by the military. the agency said. Secularists accuse private mosques of being centers of religious activism aimed against the state.

two-month summer recess last week. The move against unregistered mosques was part of a raft of legislation demanded by Turkey's generals to clamp down on Islamists.

Prime Minister Mesut Yilmaz's sec-

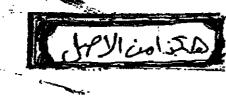
ularist coalition passed the law in Par-

liament shortly before it broke up for a

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# **Good Times Continue**

Greenspan and assorted other economists, but to the American people the economic outlook could not be rosier. That is what they tell the pollsters, who put consumer confidence at virtually the highest level in 30 years. More important, consumers act on that belief.

Some economists thought the second-quarter numbers would show a decline in the American economy. But instead, the estimates issued by the government last Friday showed continued growth, albeit at a reduced level. That was because Americans, both individuals and businesses, are buying at a very high, and ultimately unsustainable, pace. Adjusted for inflation, purchases by Americans are up 5.6 percent over the past year. Such rapid growth would be expected if the economy were coming out of a recession and pent-up demand were bursting forth, but this is the eighth year of economic expansion.

Unfortunately, incomes are not rising at anything like that pace. To support such spending, people are de-ciding not to save. The statistics on savings are muddied by the government's decision to change the way they

The Asian crisis may alarm Alan are calculated, but it appears that the savings rate is at the lowest level since the government started collecting the figures in 1946. Perhaps people see little need to save. What savings they have are booming along with the stock market, and there is no worry about

There are signs of problems for businesses brought on by the overseas weakness. So far those problems seem not to have dampened corporate investment, let alone the buying patterns of consumers. But the American trade deficit is soaring to record levels even with imported oil the cheapest it has

But for now, consumers see a wonderful economy, and are spending on

# Campaign Reform

In the end, the numbers themselves sent the most powerful message. After a year of false promises, poison pills and delays, the U.S. House of Representatives approved the Shays-Meehan bill to clean up the corrupt campaign fund-raising system by a decisive vote of 237 to 186. With 51 Republicans defying Newt Gingrich and supporting reform, the vote shattered the idea that campaign reform is a partisan issue. Also demolished were the predictions of Republican leaders and worshipers of conventional wisdom in Washington that reform was dead. The measure now stands an excellent chance of surviving the tests ahead and winning approval as the final bill.
The House action was a milestone in

a journey that began with the first disclosure of campaign fund-raising excesses in the 1996 presidential election. Hearings into those abuses last year were clouded with partisan acrimony. But on Monday, Republicans and Democrats showed that they could work together.
Mr. Gingrich and his henchmen, es-

pecially Tom DeLay, tried to portray the legislation as revolutionary. In fact, it simply closes loopholes in the existing law limiting contributions to candidates in federal elections.

unlimited "soft money" donations to sage at their peril. political parties from corporations, un-

been in many years.

For now, the trade deficit has little cost. The dollar is strong because the yen is weak, amid worries that the Japanese recession will deepen. If Japan does get its economic house in order, the dollar could begin to fall, perhaps raising the reported inflation figures enough to trouble American

the assumption that it will continue.

# the donations that the Democrats raised

at the White House and Republicans at their own fund-raisers. The bill also applies fund-raising limits to campaign ads broadcast by single-issue groups for two months before an election. The remaining test for the Shays-

Meehan bill will come later this week, when various so-called "substitutes" are voted on. Any bill that gets more votes than the Shays-Meehan bill will be the one to win final passage.

It is imperative that supporters of Shays-Meehan vote against these substitutes, particularly a sham piece of legislation advanced by a group of freshmen that would ban soft money from the national parties but let it go to the state parties. The freshmen bill is not worthy of the name "reform." It would channel the same corrupting money from special interests into national campaigns from a different route.

In a climactic moment in the debate, Zach Wamp of Tennessee implored his fellow Republicans to set aside their party leaders' addiction to soft money and approve legislation clearly desired by the public. That his argument car-ried the day kindles genuine hope that Congress does listen to the public's yearning for a more accountable political system. Members of the House or The bill extends the law by banning the Senate will now ignore that mes-

THE NEW YORK TIMES.

# Pay-Per-View Threat

for most of this year to ratify the international treaties that are supposed to bring copyright law into the digital age. It has been a large and complicated endeavor, requiring people to rethink such fundamental aspects of intellectual property rights as what constitutes 'copying' in a digital environment — Is it copying a document just to read it on your computer? To print it out to read later? - and when such copying represents a copyright violation.

But the major snag is none of these weighty issues but, rather, a fierce face-off between libraries and big-time copyright-holding interests over a seemingly minor provision that would make it a crime to break any technological locking device designed to

prevent unauthorized copying.
This debate over the "anti-circumvention" provision is now the main item of disagreement between versions of the copyright bill produced by the Judiciary and Commerce committees of the House of Representatives. (The Senate passed copyright legislation in May.)

Those who expect movies, songs, software and even books to be eventually delivered mainly over the Internet want to make sure that this will not mean widespread unauthorized copying and the subsequent collapse of any market for the work. (Newspapers, as creators of copyrighted material, have an interest here as well.)

They picture every piece of intellectual property being distributed with some kind of "lock" that would permit, say, just one viewing of a downloaded movie. It is the disabling of this lock that would be made a crime, ex-

The U.S. Congress has been trying cept in specified circumstances. There is room for doubt whether it makes sense to make the lock-breaking a crime here rather than merely, as till now, the actual copyright violation.

But the real problem is more prag-matic. This "transition to a pay-per-view world," as one enthusiastic movie distributor put it, works fine for the entertainment industries and the commercial market. Where it does not work is in libraries and other places where use of books and research material is not pay-per-view but, till now, free.

Libraries are worried that the "fair use" exemption that allows limited use of copyrighted material without permission for such purposes as comment, criticism, education or research, although technically unchanged in the law, would become sharply limited in practice if all material were distributed with "locks," and libraries were prohibited from "unlocking" it.

What happens, they ask, if a chart of environmental data that now can be

photocopied for use in a class were made available only on a CD from which printouts could not be made? What if research journals were provided to libraries on a pay-per-view basis that would keep independent researchers from making photocopies for

their own use? Language in the Commerce bill sought to address this problem by creating a mandatory review every two years of the provision's effect on "fair use" in various contexts. On the floor or in conference, these protections from a permanent "pay-per-view world" ought to be maintained.

—THE WASHINGTON POST.

# Herald Eribune

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# The West Winks at Serbian Atrocities in Kosovo

NEW YORK — Serious human rights violations are being tolerated in Kosovo in favor of short-term geopolitical interests in the Balkans.

Serbian police and the Yugoslav army have launched their largest of-fensives to date against the ethnic Albanian insurgency. They appear to have used disproportionate force, attacking civilians and systematically destroying villages. At least 100,000 people are internally displaced, many hiding in canyons and forests, and 20,000 have fled the region altogether.

Despite this, NATO is now further from taking action than it was a few months ago. The U.S. government has expressed only mild criticism, mostly because the Kosovo Liberation Army has become an annoying threat that it could not control.

Diplomats in Kosovo are telling ournalists that the West has turned a blind eye to the abuses in order to force the KLA to the negotiating table.

The U.S. position is presented by Secretary of Defense William Cohen, who recently said that NATO "does By Fred Ahrahams

civilians or using disproportionate force, but also does not want to take action that "could be construed as lending support, either moral or military, to

those seeking independence. Such a position spells disaster for the people in Kosovo and the region. Mr. Milosevic's troops are committing serious abuses, and there is no indication that the atrocities will stop.

Human rights groups name five villages where summary executions have taken place since February. Hundreds of people have been arrested and abused; many villages have been de-stroyed. Many civilians must have died from indiscriminate artillery fire. Where is the threshold? At what

point will the Clinton administration

decide that it has seen enough?
Understandably, Washington is concerned about the destabilizing effects that an independent Kosovo might have on neighboring Macedonia, with its sizable ethnic Albanian population, not want to see" Yugoslav President and on the fragile peace in Bosnia, Slobodan Milosevic's troops attacking where 20,000 U.S. soldiers are still on

feed a refugee outflow that could ignite an increasingly radical Albanian com-munity in Macedonia.

Washington is missing the funda-mental point that there will be no stability in the Balkans as long as Mr. Milosevic stays in power.

Despite past atrocities in Croatia and Bosnia, American officials still regard him as the man who can stop the fighting. The "man with the reins" argument was used by Richard Holbrooke when Mr. Milosevic signed the 1995 Dayton accords, which stopped the fighting in Bosnia. But the international community's failure to punish Mr. Milosevic for crimes in Croatia and Bosnia sent the message that he would be allowed to get away with such crimes again.

The man who started these conflicts cannot be trusted to stop them. There will be no lasting peace as long as Yugoslavia remains an undemocratic state with Mr. Milosevic at the helm.

Even if the Albanians agree to autonomy, as the U.S. government is pressing them to do, there is no guarantee that Mr. Milosevic would end his

the ground. But unchecked atrocities, repressive rule in Kosovo, or that he and the predictable KLA response, will would not again revoke Kosovo's status at some point in the future. An abusive government in Belgrade will be a constant threat to the region. The first priority for U.S. policy should be his indictment.

A second is continued cultivation of democratic alternatives within Serbia and Montenegro, with an emphasis on building institutions like independent courts and depoliticized police. Independent media should be supported.

All options for Kosovo's political status should be considered, as long as they include guarantees for the rights of both Albanians and Serbs.

Admittedly, strong action against Mr. Milosevic is a bad message to send to armed insurgencies with separatist agendas around the world. But equally bad is the current message to Mr. Milosevic and other aggressive dictators that their violence will be tolerated by the international community in the name of territorial integrity.

The writer, a researcher at Human Rights Watch, contributed this to the International Herald Tribune.

# Recession in America? Time Now to Worry About It

By James K. Glassman

WASHINGTON — No one knows what the American economy will do, but when growth in the second quarter for the experts see growth to the far the large public companies was horizon, it is time to worry. I think a case can be made

that the economy is beginning to slow significantly. And while it is far from certain that a recession is imminent, smart politicians would be preparing for one. They are not. Politicians heading into the icans, who now count stocks as November elections are disthe No. 1 source of wealth, feel poorer and less apt to spend.

turbingly bipartisan. Both sides figure that, with peace and prosperity, their incumbents will cruise to re-election, so there is no sense taking principled stands.

But prosperity is now in question. On Friday, the gov-ernment reported that GDP increased by only 1.4 percent in the second quarter. That is a severe decline from 5.5 percent growth in the first quarter.

Quarter-to-quarter GDP fig-ures are notoriously volatile. As recently as the third quarter of 1996, GDP growth was a mere 1.0 percent. But that figure was an anomaly. The world is very different today. Thanks to a

Japan is mired in recession with little hope of recovery soon. GDP fell by 5 percent in the most recent quarter, and industrial production was off by 19 percent. The Japanese unemployment rate is at a record high, and bad debt at banks is estimated at \$1 trillion.

Deflation threatens to sweep the world. Food prices have fallen by nearly one-third from last year. Lower prices for commodities, as for finished goods, are usually a good thing, but if, because of weak demand, prices keep falling, companies cannot make profits and they soon start laying off workers and going bankrupt. Consumer demand drops further, and a full-fledged recession, or even depression, is the result.

exercise of the principle of equal

five decades. No other country

and legitimate security for all.

the wrong road, the economy would be booming." Of course, to criticize the Bill

With all these dangers, where are the politicians? At the very

least, you would think that Re-

publicans would be prepared to say to Democrats: "This slow-down is the result of your pres-

ident's policies. If he hadn't

been preoccupied with scandal

and if he hadn't taken us down

head winds from Asia Earnings Clinton for taking the wrong road, Republicans would have to make the case for the right

just 4 percent — the slowest since 1991, the last recession. Since July 17 the stock market has dropped by more than 6 percent. A big decline would be a double whammy, pinching corporations and making Americane who now count excels as is hard to decide whether to embrace or to dismiss a policy unless you have solid beliefs to measure it against. Neither side has such beliefs.

Thus, for example, we see Republicans backing more reg-ulations on medical insurance, and Democrats supporting corporate welfare programs.

In 1960, the late Barry Goldwater wrote: "I have little interest in streamlining government or making it more efficient, for I mean to reduce its size. I do

not undertake to promote welfare, for I propose to extend freedom. My aim is not to pass laws but to repeal them."
Which politicians, on either

side, could voice principles so clearly and stick to them? Perhaps Representative Mark Sanford, Republican of South Carolina. Or Representative Barney Frank, Democrat of Massachusetts. Not too many others.

Politicians with principles would have been making consistent arguments, so that, when bad times struck, they would be ready with an answer.

Republicans could say: "The best way to cope with the inevitable ups and downs of command-and-control economies around the world is by making our own economy more free and our companies more flexible and agile. Do that with a simple triumvirate: less onerous

an imperative with our budget surplus, much lower taxes. Otherwise, we will be swept into the Asian vortex. Democrats could say: "The Miant De

11115

Fed must end its tight money policy now, or it will create a severe recession. The Treasury's romance with lower growth to help bondholders now threatens to wreck the economy. We must use the unprecedented surplus to relieve the suffering of Americans who have been left out of this prosperity and to rebuild the nation's infrastructure — in a boost to an economy that could collapse at any minute.'

Instead, silence and ad hoc pronouncements reign as the economy heads south.

The writer is a fellow at the American Enterprise Institute.

# The World Needs an Effective American Presidency

By Thomas L. Friedman

RIO DE JANEIRO — Scene one: A Brazilian macho severe crisis in Asia, global fundamentals are turning sour.

Japan is mired in recession

Man of the Year," and even

World leaders always play downward economic spiral in ident off the hook and just ignoring this whole tawdry affair.

My God, what if you Amer
World leaders always play downward economic spiral in ident off the hook and just ignoring this whole tawdry affair.

World leaders always play downward economic spiral in ident off the hook and just ignoring this whole tawdry affair.

World leaders always play downward economic spiral in ident off the hook and just ignoring this whole tawdry affair.

Was association of the Year," and even My God, what if you Amer
World leaders always play downward economic spiral in ident off the hook and just ignoring this whole tawdry affair. delivered the award to the American Embassy.

Scene two: Lunch in Rio de Janeiro with a group of Brazilian businessmen. They want to the world? Maybe you think know what Bill Clinton's troubles might mean for U.S. investment in Brazil.

"The whole world is depend-ing on U.S. capital flows," explains Joel Korn, a leading Brazilian management consultant. "If there is a change in the U.S. situation because of the president's troubles, which affects U.S. investment overseas, the whole world will be hurt." You have here in a nutshell

the two basic foreign reactions to Mr. Clinton's troubles: Surely you Americans can't be serious about prosec-

icans are serious about prosecuting your president for adul-tery! Don't you realize how important you are for the rest of you don't need a president --but the rest of the world does. We Americans may think

that the world is safe for us to indulge in this entertaining Clinton saga, and for U.S. foreign policy to come to a standstill while the saga plays out, but it is not. Russia, with 20,000 nuclear

weapons and an impoverished arms industry ready to sell anything to anyone, is teetering on and Albania are imploding. China is considering devaluing its currency, in a move that

U.S. economy. Japan is stumbling around, lost.

The Arabs are moving closer to Iran, out of a feeling that the United States is too weak now to protect them from any Iranian meddling. The expansion of U.S. free

trade, through the fast-track process, is frozen because the president is afraid to confront congressional Democrats on this issue, because they are his only core support.

And the Arab-Israeli peace process is frozen, in part bethe edge of collapse. Kosovo cause the White House has completely wimped out from its vow to confront Israel's prime minister if he continues to reject U.S. firms are feeling the uting a president for adultery. could trigger a whole new the U.S. peace plan.

security is not viable. What is

required is a balance of rights

and obligations in the entire field of disarmament and non-

evolution of a universal security

paradigm for the entire globe. In

the nuclear realm, as in all others, humanity is indivisible.

to Indian Prime Minister Atal

Bihari Vajpayee on defense and foreign affairs. This comment

was distributed by the Los

The writer is senior adviser

The way ahead is through the

proliferation.

president, in whatever he says Saddam Hussein is preparing to the grand jury this month or to rear his ugly head again. Iran to the American public afteris testing a long-range missile. ward, has to bring this case to a close, once and for all. No more "I didn't inhale," "I didn't consummate," "Not to my recollection."

argument for letting the pres-

The press is now full of reports about infighting in the White House between aides who think the president should come clean with the grand jury and aides who think he shouldn't. Excuse me, but are these guys nuts? Do they really think there is any hope for salvaging the Clinton presidency with anything less than a full

Do they really think America's national security interests can indefinitely tolerate a wounded president, constantly on the run from the press, courts and Congress?

Mr. Clinton has to say and do now what is necessary to put this case behind him — in a way that might give at least some chance for him to pursue the only on differential standards of progressive agenda, at home and abroad, for which he was elected.

He owes that to all the people who believe in the social and economic programs for which he stood, and still might be able to salvage. He owes that to all the people who don't want to see an isolationist, mean-spirited Republican right shaping America's future.

Whatever his aides might say, his options are to tell the

truth or resign. The New York Times.

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NEW DELHI — India's nu-clear policy remains firmly committed to one basic tenet: In a world of nuclear proliferation, our national security lies either in global disarmament or in the This has been the basis of India's consistent campaign for nuclear disarmament in the past

in the world has exercised the kind of restraint that India demonstrated for nearly a first Pokhran test of 1974, despite the fact that India has faced a situation, unparalleled in the world, with two nuclear powers in its immediate and

troubled neighborhood.
The 1990s, however, brought about a qualitative deterioration in India's security environment. This resulted, in the first instance, from the complicity of the "permanent five" guardians of the nuclear nonproliferation regime in the spread of nuclear know-how in India's neighborhood, which they ignored or overlooked.

Indeed, as seen from India, nuclear technologies began to serve as commodities of strategic, political and economic commerce. For India, nonproliferation efforts began to appear curiously selective.

The deterioration was also a result of new strategic align-ments. After the end of the Cold War, a new nuclear club came into existence, stretching from Vancouver to Vladivostok. Spreading across the globe, from the eastern rim of Asia back across continents to the Pacific Northwest, this new security structure left a gap — a vacuum — in South Asia.

By Jaswant Singh

For India, Disarmament or Equal Security

Because it is exclusive, se- the international nuclear seculective and inadequate, this protective umbrella, from a South Asian point of view, is also inherently discriminatory. Large parts of the world today enjoy the benefit of the extended deterrence of the nuclear weapon powers. But India does not. Since this large majority does

not share either India's history or its security concerns, closing the gap has not been a priority quarter of a century after the for it. Again, not so for India. That is why, in the flood of commentary on our decision to

test nuclear weapons, there have been so many ill-informed assessments of India's security predicament Paradigms of security relevant to others are transposed to us. The people of India, one-sixth of humanity, are seen merely as objects of the security perceptions of others. We are assigned a particular place in the world order and not treated as subjects responding to our own interests.

While the present nuclear powers justify nuclear weapons even against perceived threats from non-nuclear states, a regime of international nuclear apartheid becomes operational whenever India claims a place in the sun. India's decision to conduct

nuclear tests was a step taken in our national interest. By exercising this option, India only brought the existing nuclear reality, hitherto ignored, into the open. It sought to move toward. and has gained, some strategic autonomy. That is India's due. Thus, in the absence of any viable alternative, India,

through a limited series of tests,

nity paradigm be reviewed or that it be made inclusive. India cannot accept a semicolonial and inferior status as a nation

whose security prescriptions are determined for it by others. We appeal to the international community — particularly to the nuclear weapon powers and all countries that derive their security through nuclear-deterrent protection extended to them - to join us in re-examining the present international security regime. We must find ways and means of moving

toward global nuclear disarmament, step by step. In the wake of India and Pakistan's tests, there have been many calls by the international community for restraint in further development of the nuclear option. India has made several assurances and offers displaying precisely such

restraint We have stated clearly that we will not be the first to use nuclear weapons. We have announced a moratorium on further testing, and conveyed our willingness to convert that moratorium into a de jure obligation. We are ready to engage in meaningful discussions on a fissile material cutoff treaty in the Conference on Disarmament. And we have already announced our accession to the Chemical

Weapons Convention. We have also announced strict adherence to, and a stringent tightening of, export control measures on nuclear-, missile-, chemical- and biologicalweapons-related technologies. But the present model of nu-

Angeles Times Syndicate. IN OUR PAGES: 100, 75 AND 50 YEARS AGO 1898: U.S. Indiscretion

gotiations. You can imagine the feelings excited by the telegram to the effect that President McKinley has taken the entire American people into his confidence as regards the terms of peace. "El Liberal" says: "The governors of North America conduct in a manner as plebeian as absurd the art of politics and of diplomacy. For them the professional reserve upon which depends the salvation of nations is ridiculous antiquities, admissible only for the peoples of Europe. In our opinion it is

1923: Bearded Czechs

PRAGUE - An organisation, which will attempt to induce all Czecho-Slovaks to wear full has only reasserted that either clear nonproliferation based beards as an expression of their

nationality, will hold a conven-tion at Machrisch-Ostran. The MADRID — Rigorous censorsociety, which has enlisted hunship has set upon the peace nedreds of members, declares that the Czechs at the greatest period in past history all wore beards, and loyal members of the new republic should do the same.

#### 1948: Arab Refugees TEL AVIV -- The Secretary

General of the UN cabled a tersely worded reminder to Israel of the status of the Jews in displaced persons' camps in Europe and Jewish detainers in British camps in Cyprus. The cable followed Israel's refusal to permit the re-entry into Palestine of the much better to give no infor-mation to the vulgar." 300,000 Palestine Arab refugees displaced from their homes by the fighting in Palestine. It was addressed to Israeli Foreign Minister Moshe Shertok. Mr. Shertok said that Israel would not permit the Arab refugees to return until there had been a final peace settlement in Palestine.

Secretary of the base of the b

And the second s

America in an Era of Lackluster Leadership L os ANGELES — A trip Franklin Delano Roosevelt's home at Hyde Park, New York, stirs both pride and puzzlement. The pride comes in feeling some contact with an American who endured debilitating hardship and then stirred himself, and the nation, to per-

form extraordinary feats. The puzzlement comes in two forms. Although Roosevelt was, by any definition, to the manor born, his residence (like the museum nearby built in his honor) seems remarkably unpretentions, a real house in which real people actually lived

In one corner of the heavily draped living room is the table at which Roosevelt noodled around with his stamp collection; the guest quarters and Roosevelt's bedroom are tasteful in the Victorian manner but hardly

Roosevelt's genuinely heroic image amid the lack of im-

### By Sean Wilentz

there are silent reminders of . Among those who came of the adversities he overcame, age around the year 1800, none more poignant than a there was palpable anxiety pair of empty wheelchairs.

There are reminders of his to the example of their fagreat accomplishments amid thers, who had won the revthe Depression and World olution and ratified the U.S. War II: drafts of major Constitution speeches, letters from poor but encouraged ordinary cit- tury, the sons and daughters izens, an exhibit reconstruct- of the Civil War generation ing the White House's secret -faced similar fears of an im-War room

There are reminders of other larger-than-life characters, ranging from Eleanor 50 look back at their parents Roosevelt to Churchill to and the rest of the heroic co-Stalin - for good and for evil hort that battled the Depresan impressive group.

There is only one jarring cured civil rights and start to intrusion of contemporary worry. life: a photograph commen-orating President Bill Clin- c ton's summit meeting with lutions that have widened op-President Boris Yeltsin at Hyde Park in 1995. Coiffed. tailored and puffed up as both The second puzzlement men are, they look like pyghas to do, paradoxically, with mies beside the departed

Where are the public heperial grandeur. All around, roes of yesteryear? The ques- a bit craven. in the clutter of old navy tion has haunted succeeding prints and family bric-a-brac, generations of Americans, come spiritually timid and man or woman in the right

Mr. Quayle's mentor, George age around the year 1800. Bush, cynically called 'the there was palpable anxiety vision thing' — been purged about their inability to live up from public life and monopolized by brilliant capitalist

nerds like Bill Gates?

At the end of the 19th cenpending decline into compla-Garrison and Sojoumer

cency and enervation. Today, Americans under sion, defeated fascism and se-

This generation can boast of advancing cultural revoportunities for women and minorities. But so far its polldriven, television-obsessed public leaders - Mr. Clinton. Al Gore, Dan Quayle, Newt Gingrich - have appeared less than heroic and more than

Have our public leaders be- noble calling, that the right

lackluster? Has the capacity place could make a world of for bold leadership — what difference.

Today, those ills -- legislative logrolling, campaign finance payoffs, media manipulation - no longer seem merely attendant and correctable but endemic to the system. and dissuade idealists.

These worries may prove. in time, to be completely mis-Could ugly, eloquent Abplaced. The generation that raham Lincoln, whose prose followed the revolution, after style was biblical and not all, produced an abundance of cleverly commercial, be public heroes: William Lloyd elected president today?

Meanwhile, the public's Truth, Andrew Jackson and interest in politics, as meas-Henry Clay, Daniel Webster ured by steadily declining and John C. Calhoun. election turnout, has vastly As the smug excesses of eroded.

the Gilded Age mounted in Yet historically Americans the 1880s and 1890s, such have felt a need for national figures as Theodore Roosepolitical heroes to guide them velt, Woodrow Wilson, Euthrough critical times as well as to vindicate a sense of gene V. Debs and W.E.B. DuBois were preparing to shared political commitment. clamber onto the national Are such incipient heroes out stage. It is possible that their there today? If there are, will like will turn up again in the they be recognized, and can they make a difference, in

Still, there are reasons for today's political climate? oncern. Previously, despite Although we Americans have our share of problems, politics, there survived an ideal that public service was a no great troubles or moral crises appear on the horizon just now. To reverse the old Chinese curse, we are blessed to be living in uninteresting

And so, perhaps, we are getting leaders suited to those times. But times change, and one wonders whether our store of heroic leadership can

be replenished. More grievously, one woncapacity to unite in times of brief, alarming crisis: during President Bush's Gulf War. for example, or following the bombing of the federal building in Oklahoma City.

But who's to say that this would hold true over the long haul, amid troubles that do not end so fast, like the Depression or World War II? Who's to say that even Roosevelt himself could have led our jaded body politic through the sorts of crusades some of us look back on now with nostalgia?

The writer, a professor of American history at Princeton University, contributed this comment to the Los Angeles Times.

# South Africa's Other Racism: Blacks' Hatred of Whites

By Sindiwe Magona

four young men convicted in the killing gives us a chance to take stock and ask whether harboring such hate does us any

Amy Biehl, everyone agrees, died because she was white. Racial harred motivated

#### **MEANWHILE**

the whole mob that set upon her that day in August 1993, not just the four men jailed for her murder. But racial hatred in South Africa was not then, and is not now, confined to those who were part of that mob.

All South Africans killed Amy Biehl, for we allowed, even encouraged, the climate that made the attack possible. White hatred of black people in South Africa resulted in bigotry's becoming law — apartheid. The reverse of this, blacks' hatred of whites, may not have achieved such institutionalized

status, but that is not to say it does not exist. To the contrary, it is abundant in black folklore: It can be found in our jokes, in our stories, in the songs and oral histories of black townships, villages and squatter camps. And the carelessness with which we talk about white people, in a far from flattering light, in the presence of very young children ensures that these negative sentiments will be ingrained in them, that they horrible people who have no hearts, who

have done all manner of evil toward us. Black South Africans may feel that they have a right to this hatred, that the country's history justifies it. Indeed, ours is a history of white exploitation of blacks - long before apartheid, as well as during that era and beyond. Yet has the time not come for us to move on? Does harboring this hate advance the cause of the nation one iota?

The war cry during the days near apartheid's end — "Boers are dogs!" was a variation on an old theme, whispered barshly in times of peace, spat out during private outpourings of anger and frustration, spoken far from the white person who But has the time not come for us to

examine the nature and function of these feelings? There will be no end to the violence in South Africa so long as we fail to acknowledge the racial hatred.

both inter- and intra-racial, seems to be comment was contributed to The New York

NEW YORK — The murder of Amy
Biehl, an American student, in GugMandela said on a trip last month to the "I have gone to the mortuary," Nelson uletu. South Africa, nearly five years ago troubled KwaZulu/Natal Province, "and I highlighted a seldom mentioned legacy of have seen people with cracked skulls, othapartheid: the deep-seated racial hatred that ers shot in the mouth." Much of this was many South African blacks hold for whites. black-on-black violence. Hatred is corro-The granting of amnesty last week to the sive and turns inward, destroying especially those who harbor it.

The hatred has to be acknowledged. That is the first step toward change. Then proceed to the next step: How do these feelings serve us? Are they helpful? Do they advance us in any way? Or do they derail us from our chosen path, distract us from the goals we have set ourselves? Whatever insights we gain from such open discourse can then lead us to the third step in our program of healing: Act on insights gained.

The murder of Arny Biehl brought an overwhelming outpouring of grief and outrage. Support for the Biehl family came from all sectors of the population and from people in all walks of life. However, it did not admit that racial hatred was a cancer in the very core of society.

Now, the Truth and Reconciliation Commission has granted amnesty to the four young men jailed for the killing. The judges said that the four youths had subscribed to the belief that whites were their enemies. "At that moment, to them, Amy Biehl was a representative of the white community, the judges said.

In a remarkable show of compassion, Amy's parents have supported the commission's decision. What is more, they have expressed the hope that these young men "will receive the support necessary to live will grow up knowing that abelungu are productive lives in a nonviolent atmosphere.

If the miracle of 1994 will not be betraved, the ultimate freedom the people of South Africa must give themselves is freedom from hate.

Past wrongs will not be redressed through mindless violence, blind hate, lawlessness and brutality. Rather, concerted corrective action is called for. And the first step toward that is acknowledging the hate — and then letting go of it. Only then can our energies be truly harnessed and redirected toward healing and the building of a nation.

If even half of the outrage of August 1993 could be channeled into concrete action, the country would certainly inch toward the ideal state that Amy Biehl's parents envision. But there can be no cure until there has been a diagnosis. Acknowledging our cancer is the first step, the prerequisite.

The writer's fifth book. "Mother to Moth-Acknowledge. Examine. Act. Violence, er," was just published in South Africa. This

# FDR: A Giant Despite His Disability

ST. BONNET DU GARD, France — The presidency of Franklin Delano Roosevelt was unique in many obvious ways. He was elected four times, serving just over 12 years before he died. We Howe, FDR's aide, and FDR himself. usually remember the American presa huge domestic crisis. FDR had both, could ever return to active life.)

the Depression and World War IL. When FDR was president, from March 1933 to April 1945, it was not a secret that he had had a severe bout with polio. But the extent of his disability was not well known. Not only could he not walk, but he could not stand without braces that ran the entire length of

In those days, people were generally, inhibited about referring to someone's disability. The rare reference to him as "a cripple" was meant to cripple FDR politically, and it always backfired.

Oddly enough the public today may be less aware of FDR's disability than the public was when he was alive. But it is essential that people know of his disability. Not to grasp that we, the American public, overwhelmingly supported a severely handicapped leader in the White House is to completely miss one of the extraordinary events in the history of American democracy.

FDR the man cannot be understood without comprehending that he was crippled. He could have died from the severity of his polio attack in 1921. As it lots of photos, but not before. Jourwas he lost all movement in his legs and nalists, with whom he met regularly, even some strength in his right hand. For never talked to FDR about the fact that

polio, when the extent of FDR's dis- different view of privacy future was written off. The only ex- when the president had to put on his Tribune.

About Clinton

To dig into peoples' per-

and intrude upon privacy with

the support of the judiciary is

I believe that Kenneth Starr's investigation and pro-cedures have infringed upon

the privacy of a number of

people, including of course the

president of the United States.

It is frightening to imagine what Mr. Starr will do next.

FERNANDO ALVAREZ

the way to a police state.

By Curtis Roosevelt

ceptions to this opinion were Louis (Eleanor Roosevelt supported her husidents who had a war to contend with or band's ambition but doubted that he

When FDR successfully returned to politics in New York state, he was vastly relieved to find that his disability seemed to have had little impact on voters. FDR's opponents found that labeling him a cripple was a nonstarter.
When FDR ran for president in 1932

he and his advisers again womied about the impact of his disability, but it turned out to be an issue of no consequence. As a campaign issue it never surfaced during FDR's career.

This does not mean that FDR was open or casual about his inability to walk. On the contrary, he wanted little or no mention of it, particularly any comment that conveyed sympathy. "Sob stuff," he called it. He was very much of the stiff upper lip tradition.

In short, FDR was extremely sensitive to anyone's calling attention to his infirmity. His family made no mention of it except if some practical arrangements were to be made.

The press tacitly agreed to not take pictures of FDR in his wheelchair. When he was settled in his chair there would be arginal.

— or even to seem to be aware of his ership and achievements become even useless legs. In those days people had a more impressive.

LETTERS TO THE EDITOR

heavy braces, required planning. By swinging his hips, which pushed his legs forward, leaning on a cane with one hand and gripping the arm of a sturdy com-panion with the other, FDR seemed to be cynicism and glitz, the public walking. Thus he was able to navigate could even accept such leadthe few steps to a podium or to greet ers. The country still has the official guests when protocol required

vears to come.

concern. Previously, despite various ills attendant to U.S.

him to stand. Although FDR was no longer concerned about political opponents using his crippled condition against him, he was sensitive about his personal privacy. He remained vulnerable in spite of the confidence he radiated.

There is perhaps another reason for FDR's desire to minimize the appearance of his crippled condition. Probably no president has been more conscious, more astute, in gauging the public's response and reaction to him personally.

He knew instinctively that American voters did not want to have the president's disability thrown in their faces. As the years go by, fewer and fewer

Americans will appreciate the fact that their forebears were quite happy to elect a handicapped person as president of the United States. We cannot allow the memory of FDR's disability to fade even more. A full picture of this ex-traordinary American political leader must be given.

We must grasp the fact that every day the president could not get out of bed, get dressed, reach the bathroom or get to his desk without the assistance of another person and a wheelchair. He was totally six to seven years he tried to regain some he could not walk. It would have been dependent upon both. Considering these use of his legs, but his success was rude to raise the topic with the president restrictions, FDR's extraordinary lead-

ability became generally known in political circles — it could hardly be hidden in public appearances — his political tical problems for FDR. Such occasions, and the writer, a grandson of President Franklin D. Roosevelt's, contributed this comment to the International Herald

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#### QUINONES. Madrid.

"Presidency Under Siege: Enough Is Enough" (Opinion, Aug. 3) by Arthur Schlesinger Jr.: I read Mr. Schlesinger's ar-

ticle with some astonishment. private life. It is the possi-The point he misses is that if bility that he might have lied President Bill Clinton is that people cannot accept found to have had sex with MICHISLINE COURTY sonal lives to determine Monica Lewinsky, and thus whether they have had exto have lied under oath and to tramarital sexual relationships, the nation, he will have set a and with whom; to investigate terrible example for the youth what kinds of books people read or give as gifts; to analyze of America. It is on that youth clothes looking for traces of that the moral regeneration of sperm — all this is a clear an already blighted America that the moral regeneration of invasion of privacy. To invade depends.

ROBERT A. CLARKE Fleurance, France.

Regarding "Starr Transforms the Presidency Into a Kind of Purgatory" (Opinion, July 31) by Jeffrey Rosen: absurd. Of course future presaides and friends whenever in promoting the unprecedentthey feel the need to do so. ed development of democracy Those conversations will cause no problems as long as they do not mention anything

suborning perjury. There lies the crux of the matter. Most people could not raised about the aptitude of care less about Mr. Clinton's America's governing institu-

MICHELINE COURTY. Paris.

Can a foreigner be allowed to express his concern about the events taking place in and around the White House? Regardless of the guilt or

innocence of President Clinton in the Monica Lewinsky matter, the political con-sequences of a possible impeachment or resignation would reach far beyond the borders of the United States. It would jeopardize the prestige Mr. Rosen's reasoning is and authority of the nation that has played the major role in idents will be able to talk to leading the world to peace and

throughout the world. If, once again, a man twice elected by his compatriots to and is especially profound in that is against the law, such as the most important job on the planet is found unworthy of

tions, political parties and democratic procedures to choose the right man for the job. It is not only the individual concerned but the function of democracy itself that will suffer.

FRANCOIS DE ROSE.

# Rape Survivors

Regarding "No Answers From Bosnia Rape Case" (July 30): The article highlights some of the special difficulties fa-

cing survivors of rape in the context of war. At our foundation we see more than 2,000 torture cases each year from more than 90 countries. Many are rape victims. The shame of rape

deeply felt by all of the victims who come to as for help certain populations due to religious and cultural factors. However, it is not the case that rape victims are so disturbed by their experiences that they are too confused to recall details about the crime committed against them. Quite the opposite is usually true: The deed in all its detail has been seared into their flesh and memory and they relive it every day.

Without prejudice to the Croat soldier accused of aiding and abetting rape in the case now before The Hagne tribunal, I wish to point out that state perpetrators often accuse their victims of inventing or imagining the crimes.

Let me be categorical: To be treated or counseled for the aftereffects of rape or other horrendous crimes does not mean that the victim's judgment or memory is confused or subject to suggestion. SHERMAN CARROLL

London.

The writer is the spokesman for the Medical Foundation for the Care of Victims

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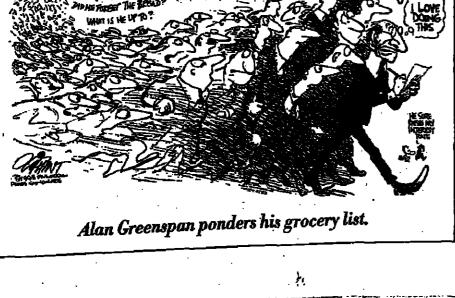
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INTERNATIONAL

# U.S. Charges Milosevic **Broke Kosovo Promise**

# Serb Reneges on Aid, White House Says

WASHINGTON - The White

House charged Tuesday that President Slobodan Milosevic of Yugoslavia had violated a promise on Kosovo refugees, and it said the United States and its allies were working on options for action in the

"The humanitarian situation is be-coming of increasing concern to us," said a spokesman, P. J. Crowley.
"President Milosevic pledged late

last week to allow greater access for humanitarian workers to address the situation with respect to displaced," he said. "So far, his words are not backed up by action.

About 35,000 Kosovo residents have fled their homes in the province, where Serbian troops and police units have launched an intensive assault on ethnic pro-Albanian Kosovo Information Cen-

The UN High Commissioner for Refugees said Monday that 35,000 people had fled their Kosovo homes in the last two weeks, raising to an estimated total of 180,000 the number of refugees and displaced persons in the

On Monday, the North Atlantic Treaty Organization and the United States drew closer to calls for international intervention after reports that the refugee exodus in the separatist Yugoslav province was bordering on a

"NATO contingency planning continues," Mr. Crowley said. "It's at a very advanced stage. Meanwhile, we continue to watch a variety of options on

Serbian attacks on their villages. Ethnic Albanian sources claimed the sealed-off Drenica region was "in

The reports indicated that Serbian forces were showing no signs of re-lenting despite President Milosevic's

promise last week to stop the offensive.
The continued fighting stymied plans
to send aid to ethnic Albanians near Malisevo, a former stronghold of the secessionist Kosovo Liberation Army, where thousands of people sought shelter in the woods after the attacks of recent days.

We cannot go into a battlefield," said a UN spokesman, Kris Janowski. There were no immediate details available on the latest clashes. But the ter said Serbian forces were attacking central Kosovo from the direction of

speculated about heavy casualties.

The ethnic Albanian center also said 2,000 civilians tried to flee over Mount Prokletije to Montenegro overnight but

Serbs opened fire on them. It was not clear whether there were

any victims. Christopher Hill, the U.S. ambassador to neighboring Macedonia, ventured to battered Orahovac, a town captured by Serbs last week, to assess the conditions for a return of refugees. "Some people have begun to return, but if we're going how to deal with the situation."

Heavy fighting in central Kosovo on Tuesday prevented international aid agencies from reaching tens of thou-

# **KOSOVO:**Confusion on How to Respond

#### Continued from Page 1

series of demands on June 13 by members of the Contact Group of six Western nations concerned with the Balkans has never been fulfilled, including a call that the Belgrade government "cease all ac-tion affecting the civilian population," permit an unimpeded supply of human-itarian aid to the region and allow continuous monitoring of the events in Kosovo by diplomats.

Two and a half months later, such Western saber rattling, which culminated in a highly publicized five-hour demonstration of NATO air power over nearby Albania and Macedonia, has not

been repeated.
And the angry ago, when Britain proposed a United Nations Security Council resolution that would have cleared the way for possible military strikes, ebbed and never flowed

While rhetorical expressions of Western concern have come and gone, one of . the many players in this diplomatic and military tangle has never faltered: Slobodan Milosevic, president of rump Yugoslavia, has, through diligent but consistent effort, been able to place the military leaders of the insurgency in a tion has the right to control its highvise. Now, he is beginning to turn the

In the last few days, more than a dozen villages formerly held by the rebels have been shelled into submission - or the state of destruction and depopulation that counts for submission.

Jablanica and Smonica, villages in western Kosovo that had been furiously fought over, fell to paramilitary police units on Monday. A highway between the capital, Pristina, and the town of Prizren came under police control in the afternoon, after a series of battles destroyed houses along the route.



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THE BURLING DAILS NI WARPING

It is due, they claim, to "the green light" — an alleged secret decision by Western governments to support a vigorous assault on the Kosovo Liberation Army so its extremist leaders will lay down their arms and sign a deal that

population craves.

They say that the lack of action to stop the Yugoslav assault cannot be explained so simply. Rather, they say, its roots lie in several factors.

The Yugoslav government initially said that the principal aim of its current offensive was to regain control of the major highways in Kosovo, a goal that many Western military officials said they considered reasonable. "Every naways," said a high-ranking U.S. official as the offensive got under way.

"Every day we fight to get it, and then during the night the KLA takes it back. We are fighting again to get it again."

sympathizers as possible. Malisevo, a rebel stronghold. They are continuing the siege of another at Ju-

solely at defeating it.

Serbs attacked with overwhelming

trying to hold on to the town.

Ethnic Albanians, who make up 90 percent of Kosovo's population but control none of its levers of power, have an explanation for what they see as a recent disastrous turn of events.

grants Kosovo some autonomy — but not the independence that most of the

and his country.

however briefly.

As a police commander on the Pristina-Prizren road said with a sigh: Moreover, last week's offensive not only targeted highways but sought to

crush every major rebel headquarters and capture or kill as many rebels and Serbian forces overran the town of

The Serbs have cast their action as having been provoked by the Kosovo Liberation Army and as being aimed

U.S. officials deny that any Western nation could have made such an encouraging offer to President Milosevic. a man who the State Department spokes-man. James Rubin, recently declared had "done great damage to the world

But in Kosovo, the idea seems absurd - or at least impractical. The highways run through remote canyons and hills that can be readily seized by the rebels,

At the outset of the offensive, for made, it would take the wind out of Mr. example, rebel units were said to have Starr's investigation and greatly imtried to take over Orahovac, which the

It was hard, one senior U.S. official said, for the Clinton administration to criticize President Milosevic's forces for

Perhaps the chief reason Western governments have been reluctant to intervene to halt the offensive is that none shares the aspiration of virtually every ethnic Albanian in Kosovo — to win an ficial, as saying that most Democrats in independent state.



#### Continued from Page 1

that they had no further information on the stalled talks and declined to speculate whether the show of obstinacy by the Iraqis was a ploy to rally support against Mr. Butler, whose frank style

The Iraqis once again staged a funeral procession for 35 Iraqi children outside the building where Mr. Butler and Mr. Aziz met. Their parents said that the children had died because of sanctions.

The Iraqis accused the United States phasing-out of sanctions should the Seof "wrecking" the program under curity Council acknowledge that every which limited oil sales are permitted to detail about Iraqi weapons will never pay for food and medicine. UN officials countered that a loosening of the sanctions had increased oil sales sharply and allowed hundreds of millions of dollars in medical supplies to reach Iraq. They said it was the Iraqi government that recently reduced a UN proposal to raise

caloric intake in food distribution. The Iraqis have been encouraged by when sanctions are reviewe Russia, France and China to hope for a Security Council in October.

detail about Iraqi weapons will never be known and that enough progress had

been made to warrant a relaxation. In June, Mr. Butler, under pressure from the Security Council, provided Iraq with a "road map" of steps to take to meet his disarmament requirements.

The collapse of this round of talks leaves little room for averting tensions when sanctions are reviewed by the

# BABIES: 2 Infants Were Switched and 2 Families Face Dilemma

### Continued from Page 1

"I've lost so many people in my family, I'm kind of numb," said Linda Camden, the cousin of Rebecca's father, Kevin Chittum, saying she cried when she saw the resemblance between Rebecca and Paula Johnson. "We've had a lot of tragedy in the family. We've been

On Monday, relatives of Rebecca who have been taking care of her since the crash - said they wanted to keep the child. They also said they had been told that Paula Johnson feels the same way and does not want to uproot the chil-

Paula Johnson's attorney was quoted as saying that "all the parties have come together." There were indications that each family would be permitted to de-

velop a relationship with the children.
"We anticipate a situation where privately the families, working together, vill be able to resolve the situation, Michael Irvine, the lawyer representing the Chittum relatives, said Monday. "The families are saying they want to do what's best for these two children."

[At a press conference Tuesday, Ms. Johnson said no decision had been made on whether the two girls would be exchanged, The Associated Press reported from Charlottesville. She said she hoped to work out the question of custody and visitation rights with the extended family of Rebecca Chittum, and that she wanted only what was best for the children.]
Officials at the University of Virginia

test results last month, determined that proved procedures.

Ms. Johnson's baby and another girl born on or about the same date at the hospital were switched at birth, despite security measures that normally include coded identification bracelets worn by mothers and their babies.

A criminal inquiry has been opened by local authorities.

raised Rebecca with Mr. Chittum and was killed in the car crash, from their brief time together in the maternity ward three years ago. She said she looked forward to meeting privately with Rebecca and her relatives. "Words cannot express the way I felt

when I learned Sunday night about my biological child," Ms. Johnson said. "I remember Whitney from the hospital as a warm and enthusiastic person. My heart goes out to the families for their losses. Their pain is more than anyone should have to bear." If Paula Johnson decided to press for

custody of both her biological daughter and the child she has raised for the last well win custody of both.
Officials at the University of Virginia,

meanwhile, said they do not know how or why the switch happened, but they insisted again that it was not an accident.

health sciences for the university. Mr. Chittum, Kevin's mother. Cantrell said he based his assertion on hospital records and his confidence that Medical Center, shown Paula Johnson's employees carefully followed the ap-

Lawyers for the Chittum and Rogers families challenged the hospital's assertion that foul play was likely. They said they have seen or heard of no evidence that would suggest something like that happened. The lawyers also said their clients do

not remember anything amiss with the In a statement Monday, Ms. Johnson bracelets that babies and mothers are to be given at the host shortly after birth. They said the family has a videotape of the day Rebecca was born, showing the bracelets being put Questions about the bracelets had

been raised last week by Paula Johnson, who said a bracelet was not placed on her baby in her presence in the delivery room, a violation of hospital policy. Doctors at the hospital said medical records showed that identification bracelets were put on both mother and daugh-

ter, and procedures call for the bracelets

to be attached at the same time. The records do not specify that the bracelets were attached at the same time: there is simply a notation saying bracethree years, legal experts say she might lets were attached, hospital officials

> More than a week ago, university officials visited members of the Rogers family to break the news and take a blood sample.

"We are 99.9 percent sure that it did not happen accidentally," said Robert Cantrell, vice president and provost of learned the news from Rosa Lee

"How can all this keep happening to one family?" Mrs. Watts recalls she asked Chittum. "She said, 'We hope it's not true," "

# CLINTON: Chief Justice Denies Appeal on White House Lawyers

prove Mr. Clinton's chances of escaping mpeachment proceedings.

Reuters reported that the overwhelmand consultants, said that it was crucial

It quoted a Democratic consultant, Tony Podesta, whose brother, John Podesta, is a senior White House of-

Congress wanted to stick by Mr. Clinton

Chief Justice Rehnquist's decision on Tuesday represented the latest of several court victories for Mr. Starr. The chief justice accepted a lower court's finding that government lawyers, whose ultipresident, must respond to investigations of possibly criminal matters.

president's confidential conversations heard at the White House.

but also wanted the affair resolved well with White House lawyers were protected

But Justice Rehnquist supported the appellate panel's finding that "the public interest in honest government and in exposing wrong by government officials" ought to prevail over any pres-

### Continued from Page 1

ing majority of Democratic officials it had interviewed, including senior aides for Mr. Clinton's political survival that he not lie in his testimony on Aug. 17.

before the election. "If this blows up in September or

October, most members won't know where to go or what to do," he said. Their first instinct will be self pre-

by attorney-client privilege. Charles Ruff, the chief White House counsel, said that attorney-client privilege "is a bedrock principle of our legal system."

idential claim of privacy.

On July 17, Justice Rehnquist upheld mate employer is the taxpayer, not the a lower court's finding that Secret Service agents could not invoke a "proons of possibly criminal matters. tective function" privilege to avoid testifying about what they had seen or

# CONGO: Rebel Forces, in Replay of Last Uprising, Move Swiftly in Bid to Unseat Kabila

### Continued from Page 1

right to land ownership or citizenship. And Mr. Kabila, emerging from almost three decades as an underground opponent of Marshal Mobutu, expected, in knocking off the old dictator, to usher in a new era in the nation's political life as a moralizing reformer and national hero.

same embittered actors in a mood for settling scores. fairs who is projects director at the Har-

In fact, none of these things have turned out as planned, leaving all of the

vard University Human Rights Project "Again you have the flare-ups with the Banyamulenge. Again there are disputes over serious security issues in the si, who also speak a language little heard far east. And again you have a clear in Kinshasa, suddenly filled the capital

denying that it is in anyway involved in the troubles." arrogant occupation force. Mr. Kabila, in Congolese affairs, that outside push the troubles." Mr. Kabila, whose troops' march

across the country was applauded by a population desperate for change from the corruption and poverty of the Mobutu years, saw his honeymoon end abruptly when he entered Kinshasa in May, 1997.

Ordinary Congolese decried the ar-bitrary style and big living of the newcomers, whose early energies were spent requisitioning the largest villas and finest cars they could find. Most shock-"What is so eerie about this is seeing the exact same confluence of events in lieu of a true national liberation force, influences as in 1996," said Peter Rosenblum, an expert in Congolese after the Harman and Congolese Tutsi soldiers. Rwandans and Congolese Tutsi soldiers

Of markedly different appearance from typical western Congolese, the Tutcross-border provocation with Rwanda where they quickly came to be seen as an

and advisers.

lay in the balance eventually responded, elements from the senior army command, and from his own political movement, the Alliance of Democratic Forces for the Liberation of Congo.

ing between Mr. Kabila and his erstwhile back against Mr. Kabila. sponsors in Rwanda and Uganda.

Beginning early this year, with that Rwanda has been ferrying arms and men across the border, supplying the cluded from power in Kinshasa, Mr. rebels and even backing them on the Kabila began facing one small revolt after another by Banyamulenge soldiers or militia members in the far east. What one we were asking when Kabila started was missing hitherto was the strong backing of a neighboring state.

ternational aid workers and other experts buffer zone in eastern Congo?

warning, ordered the expulsion of early this year, by purging many Tutsi Rwanda's several hundred remaining

Publicly, Rwanda played down the spat, even insisting that the sudden withdrawal of its advisers had been planned That measure, combined with deep all along. What this conciliatory stance misgivings over Mr. Kabila's inability to sought to mask, however, according to stop rebel activity against their countries, these observers, was the decision taken greatly increased distrust already grow-

There can be little doubt this time ground," said one European diplomat. out: is this mainly a bid to overthrow the government in Kinshasa, or is it also an According to Western diplomats, in-

# **Palestinians** Reject New Israeli Plan On Pullback

JERUSALEM - The Palestinians have rejected an Israeli proposal to make part of a West Bank withdrawal a restricted "nature reserve" with no Pal-

stricted "nature reserve" with no Palestinian police presence, leaving it unclear Tuesday whether the sputtering peace talks would go on.

The president of the Palestinian Authority, Yasser Arafat, said that Israeli negotiators brought nothing new to a meeting Monday night and that the Palestinians were "studying" whether to continue the talks.

Speaking in the West Bank town of Ramallah, Mr. Arafat said the Israeli proposal was "very far" from the exproposal was "very far" from the existing Israel-Palestinian agreements or

withdrawal from 13 percent of the West Mr. Arafat's spokesman, Nabil Abourdeneh, called Monday's meeting

from an American initiative for an Israeli

'a waste of time." But Israel's prime minister, Benjamin Netanyahu, said in Jerusalem that the Israelis had presented "substantive" proposals to the Palestinians that he believed could bring the talks to a conclusion. "But they have different cal-

culations on their side," he said.

Mr. Netanyahu and other Israeli officials did not elaborate on the propos-

The chief Palestinian negotiator, Sach Erekat, and the Israeli envoy, Yitzhak Molcho, met for several hours Monday night in Jerusalem but did not speak to reporters afterward. Mr. Erekat briefed Mr. Arafat on the talks late Monday

After months of stalemate during which the United States failed to win Israeli backing for a 13 percent withdrawal, Israel and the Palestinians returned to the negotiating table two weeks

A Palestinian negotiator, Hassan Asfour, said that proposals like Israel's latest would "lead to the end of talks" and warned, "if the Israeli proposals stay along this line, then there is no need for further meetings."

# BRIEFLY

# Saudi King Gains After Colon Surgery

RIYADH - King Fahd of Saudi Arabia will be discharged from a hospital in "two or three days" after minor surgery for an inflamed colon, a Saudi official has report-

"The king's health is good," the

official said. The king was hospitalized Sunday. King Fahd, believed to have been been in 1921, has reigned for 16 years. (AFP)

# Abacha Aide Held **On Fraud Charges**

LAGOS — Ismaila Gwarzo, the top national security adviser to General Sani Abacha, the late Nigerian dictator, has been arrested and charged with widescale fraud and corruption, a Lagos newspaper said

His arrest came a month after he was dismissed by Nigeria's new military leader, General Abdulsalam Abubakar

General Abacha died in Lagos of

an apparent heart attack in early

# Colombian Leftists On the Offensive

BOGOTA - Leftist rebels unleashed a wave of attacks overnight, making a show of strength before the inauguration of a new Colombian president, leaving at least 27 people dead and dozens injured, au-

thorities said. Guerrillas detonated car bombs in major cities, stormed villages; attacked police posts and pounded army bases with mortar fire in half the country's 32 provinces.

The dead included civilians, se-

curity force members and rebels, sources in the army and police said. President Emesto Samper's fouryear term ends Friday and he will hand over power to Andres Pastrana The country's main guerrilla groups refused to negotiate an end

to their uprising with the Samper

administration, but they have said

# they will negotiate with Pastrana U.S. Finds Abuses

MEXICO CITY - For the second time in 1998, the U.S. Labor Department has found evidence of labor rights and safety abuses at

Itapsa auto parts plant in Mexico City. a subsidiary of Connecticutbased Echlin Inc. will be discussed by labor secretaries from the two (AP)

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At Mexican Factory



Edward Peel and Sue Johnston in Simon Bent's "Sugar Sugar" at the Bush Theatre.

# Believe in Miracles? Try 'Cabaret'

By Sheridan Morley arional Herald Tribune

ONDON - In the reviewing business miracles don't come that often, so to get two in a traditionally slow August week calls for some sort of celebration.

The first miracle can be found an hour or so due west of London. Outside Newbury, the tiny Watermill Theatre (alongside the Mill at Sonning, one of the two most enchanting riverside playhouses in the world) has recently been struggling for its life against a highway and a funding gap. The highway is alas now on its doorstep, but the local council, perhaps already feeling guilty about what it has done, has at least guaranteed the theater's financial future through the millennium, and the show currently playing there is far and away the best version of John Kander and Fred Ebb's "Cabaret" that I have ever seen.

And I must, over 30 years, have seen at least a dozen, including the original 1966 Broadway "Cabaret," overblown and over-dominated by the great Lotte Lenya who kept inadvertently reminding us that it wasn't quite as good as "The Threepenny Opera" by her late husband, Kurt Weili. Then there was the 1969 London version, not helped by the absence of Joel Grey, and most recently the Donmar Warehouse version, which is now running on Broadway but perhaps overly fixated

on the Nazi subplot.

What the director John Doyle has realized is that "Cabaret" is about so much more than just the coming to power of the Nazis in 1934. The subplots involving Sally Bowles, and Cliff, and the Master of Ceremonies, and Herr Schultz and Fraulein Schneider all had equal importance in Christopher Isherwood's original "Berlin Stories." and Doyle has now restrictured and realigned the show to look more like a only eight, all of whom double and Ringo and Bert.'

treble roles while also playing all the instruments in the nightclub's pit band. On the Watermill's tiny stage, now

converted to theater in the round with the audience sitting, as they were at the Warehouse, at nightclub tables, we are closer to "Cabaret," and the results are just dazzling. By returning Schultz and Schneider to center stage so that we learn to care more about the old greengrocer and the derelict landlady than we ever have, and by running the score into the plot with no applause allowed after any of the numbers, Doyle has revolutionized "Cabaret" and turned what was always a great musical into a masterpiece. Mike Afford and Karen Mann as Schultz and Schneider, Simon Walter as the evil Master of Ceremonies and Jo Baird as a haunting, waiflike Sally Bowles made of silk and steel all give performances that have never been and 1 believe will never be bettered.

There have been a lot of "Cabaret" productions around lately, and we are promised yet another for the autumn but Doyle seems here to have created the first truly music-theater ensemble I have ever seen in this country, and it would be heartbreaking if they did not get the chance to

play to a wider audience. Come to this "Cabaret," old chum, for you will never see another quite like it. The other miracle is in central Lon-

don, where Willy Russell's "Blood Brothers" is celebrating its 10th an-niversary. When it first opened, I wrote that the show was unmissable and unbeatable, but I'm not sure that even I in my original enthusiasm would have estimated its run at 10 years and still counting. The wonder of "Blood Brothers" is that, like "Cabaret," it is essentially a play with music rather than a musical, and indeed the author. Willy Russell (more famous for "Eduand "Shirley play with songs than ever before. Most Valentine"), has only ever written one impressive of all, he has found a cast of other, the Beatle parody "John, Paul,

And although it now enters the London long-run musicals chart behind only the trio of eternal Lloyd Webbers ("Cats," "Phantom of the Opera" and "Starlight Express") and of course "Les Miserables," "Blood Brothers" was originally a sleeper that kept coming and going to and from London be-fore eventually settling at the Phoenix.

Its roots are deep in the myth about twins separated at birth, the one that always served the Greeks and Shakespeare well enough; and although it is unmistakably set in the Liverpool of mains almost alarmingly topical since none of its central issues of poverty, unemployment and class warfare have

gone away in the meantime. This is in fact the closest we shall ever get to an English "Threepenny Opera, a harsh folk tale about love and death with up to a dozen brilliant, brittle numbers, which the producer Bill Kenwright

and his director Bob Tomson have kept as sharp as ever they were a decade ago; Lyn Paul now leads a wondrous new

· And finally, at the Bush, Simon Bent's "Sugar Sugar" is a weird mix of Joe Orton and

Harold Pinter, with a bit of Terence Rattigan thrown in for good measure. Set in a Scarborough seaside boarding house out of season, it consists of some marvelously funny characters all in search of some sort of a plot. Some of these characters are stock (the sex-starved landlady for instance, wonderfully played by Sue Johnston), while others are genuinely new comic creations, like the misanthrope who could fill supermarkets with the people he wants dead.

The plot, when it does come in Act Two, all seems to happen at once in kind of a rush, but there's no doubt (on this evidence and his earlier "Goldhawk Road") that Bent is that rarity, a new comic dramatist of considerable promise in characterization if not storytelling.

# Cool Music and Hot Climes

By Mike Zwerin International Herald Trabane

ARIS -- Now that more and more Americans have been moving to hot climes, somewhere along the line the musicians among them got the idea that they could create new hot-clime music.

Except maybe for Morris dancing, the roots of the popular music of our day were nourished by hot weather. Its varying shapes worked their way up out of Africa, the Caribbean and Brazil to New Orleans, the Mississippi Delta and Texas. The branches grew new roots like a tropical sea grape tree and went north to market.

But daily life today in the southern United States consists primarily of sprints by temperate people between air conditioned spaces. There is no reason to expect authentic hot music to be born in artificially cooled air. Which does not stop people in Miami, with its peppy influx of Latin culture, from claiming just that.

It was only a matter of time - rapping in Spanish with Latino licks was inevitable. How long this takes to implode remains to be seen. Right now it's mostly just fashion. With the air of somebody on the inside track, Freddy Garcia, aka Mangu, describes his new self-titled album as "hot weather music."

He was inspired by Miami Beach. The air-conditioned recording studio was a block from Ocean Drive. The reit is unmistakably set in the Liverpool of the early 1980s, "Blood Brothers" remock-lether smile. "You can't help but be inspired by all those fine bikinis.

Mangu wants kids up in Alaska to put the record on and say 'I want to go to Miami. Now. The party is hot down there. He respects the extreme summer heat in Miami. Sun visors off, folks. Anything that strong has to be saluted.

People ask Mangu: "Are you the new Miami sound?" He laughs: "No. Lots of new sounds coming out of Miami." They are in fact shuffled more than new. New music today tends to be more interesting to read about than to listen to. Young musicians cannot actually do what they talk about doing. Mangu signed with Island Records at the age of 18 (he's

23). His new album is a mixture of hip hop with such island music as Jamaican reggae, Dominican meringue (a sort of fast rumba) and the Cuban roots music son. (The term "salsa" describes a commercial American hybrid. The industry wants to commercialize it even more and make it more American.) The essence of his music is, Mangu says, Caribbean, He does not claim to be a pioneer. He says he was not the first one to play Cubano hip hop. His,

excuse the expression, rap appears to have been well coached and he was a good learner. He does not try to come across as tough and street-smart, like up and coming stars in his field often do. The smile is too vulnerable, it would not be convincing. It's more like a young entrepreneur just beginning to learn how to make friends and money making music. His promo tour goes from Paris to Miami for one day to

change planes and underwear, and then it's off to Buenos Aires for the first time. He has already played Colombia, Venezuela and Costa Rica. The audience response there was, he says, "cool" — meaning hot not cold. This is his third trip



Freddy Garcia, aka Mangu: Inspired by Miami Beach.

bands like Perez Prado and Machito. ("Boy, those cats were

intense. It was real cool for me to learn about them.") When Galdo called, he was ready.
Their single "La Playa" was a hit in 1993. The rest of the album took four more years to finish. Promoting it now, Mangu has been traveling with a four-piece band including

to France, and he re-

turns in October for a

Having lived in the Bronx

through the age of 13, he still

has the accent. When the fam-

ily moved to Hialeah, north of

Miami, he was amazed to dis-

couraged him to be proud of

Bronx. When he was 18, he

showing him lots of ins-and-

Galdo's concept involved

verses for him. He was laying

back doing what he calls "re-

search"; listening to the Fania Allstars and James

Brown and early Afro Cuban

two percussionists and a bassist. They are all older than he is, they come from the old school.

Mangu loves it when he hears his older musicians jamming to hip hop: "They can really throw down some spicy rhythms on top of hip hop drums. It's like, 'All right! So you guys are enjoying it too. In many ways I think they are younger than I am. What spirit! The more I travel with them the more I learn. Our next album will be more mature. I'd like to take it to a deeper level." Meanwhile, it's party time. The track "Calle Luna Calle Sol," an "homage to Cuba," on the album features the legendary Dominican singer, percussionist and co-founder of Fania Records Johnny Pacheco.

ANGU cannot help being attracted to Yankee fusions like salsa/house and meringue/house. It is all melding into a planetary pop music anyway. Like brand names and stock markets. He's not even trying to avoid crossing over any more. Every now and then, he goes to visit the Dominican Republic, where he discovers new argot and it sneaks into his Spanish raps: "The older generation down there is preserving the tradition, but there are also young people who left and came back home again. And they bring a totally different lifestyle and language. In many ways, the Dominican Republic is beginning to resemble the States."

Sitting on the terrace of a café, looking at the Louvre through

a chilly summer drizzle, he seems happy to be wearing a pullover. "Unbelievable!" he exclaims. "I'm in Paris drinking a glass of Cognac. Life is good. I'm getting paid to express myself. It's like, wow! Where am I going to be tomorrow? Seeing things, hearing things, learning things. Cool!'

### **BOOKS**

#### THE GARDEN AND THE WORKSHOP: Essays on the Cultural

History of Vienna and Budapest

By Peter Hanak. 249 pp. \$29.95. Princeton.

Reviewed by Michael Henry Heim THE goal of these fascin-

A ating essays — the swan song of the late Peter Hanak, a preeminent Hungarian cultural historian of Central

Albom 2 41 2 A PRATE LOOKS AT

FIFTY, by Jimmy Buffett 3 A WALK IN THE WOODS,

tury a disproportionately Rilke, Schoenberg and Baristic wit, makes a case for including Einstein and accords him Austro-Hungarian citizenship after the fact, trac- Budapest's role as workshop ing his rejection of "absothe phenomenalist relativity of the quintessentially Aus-

trian Ernst Mach.) Although no one has yet solved the riddle, Hanak (the "garden" of his title) and Budapest (the "workshop") in culturally situated and budapest (the "workshop") in culturally situated and substitute of the stabilishing "a significant correlation between social marginality and culturally situated and significant correlation between social marginality and culturally situated and significant correlation between social marginality and culturally situated and significant correlation between social marginality and culturally situated and significant correlation between social marginality and culturally situated and significant correlation between social marginality and culturally situated and significant correlation between social marginality and culturally situated and significant correlation between social marginality and culturally situated and significant correlation between social marginality and culturally situated and significant correlation between social marginality and culturally situated and significant correlation between social marginality situated and significant correlations. and Budapest (the 'work-shop'') in culturally vibrant but politically stagnant Aus-vokes the multiethnic chartria-Hungary at the turn of the acter of the Dual Monarchy century. In so doing, he also and the alienation it fostered tackles the often posed riddle: but goes on to argue that all why Austria? How did it hapthe fine minds in question repen that, in the decade or two jected the Austrian establishbefore World War I, Austria- ment and, finding no social or Hungary gave the 20th cen-political movement to replace

thinkers and artists: Freud less greenhouse than weed and Wittgenstein, Kafka and patch, but he resolves the contok? (Hanak, with character- brancy and political stagna-

against Vienna's as garden? lute" time and space back to He identifies the garden, a place of repose for body and soul, with the concern for the continuity of life and death Eros," it makes Freud very much a man of his place and time. He identifies the workshop with the concern for community and public life among the Budapest avantgarde in the same period, a concern that led the poet (but also journalist — the combination is telling) Endre Ady to proclaim Hungary a country "magnates,

where only "magnates, priests, and donkeys can live." Ady, clearly one of Hanak's heroes, railed against Hungary's idle, arrogant, hide-bound aristocracy (the "donkeys" of Ady's formulation and the class he was born into), advocating a return to an untainted Hungarian style (for example, the language of 17th-century Calvinist preachers) plus the assimilation of European modernism. Bartok accomplished an analogous feat in music, rejecting catchy pseudo folk-tunes in favor of

it, struck out on their own. In them into a contemporary large number of its seminal his interpretation Austria is European Hanak's essays thus do more than illustrate his thesis; by tradiction between cultural vi- filling in the cultural context to which the figures he treats betion, if not the entire riddle. longed, they provide new perspectives on the figures them-What then does Hanak have

in mind when he plays off They also accomplish. something quite different. Hanak modestly introduces the essays as the scholarly equivalent of outtakes; pieces hé deemed unsuitable for a permeating Viennese fin de volume in a formal "History siècle, "decadent" culture. A of Hungary." And in fact, not volume in a formal "History continuity "symbolized by all the essays deal with cul-dreams, or Psyche, and love, tural titans. Some of the most tural titans. Some of the most interesting - and revealing - passages come from discussions of such mundane matters as who lived on what floor and took up bow many rooms in the apartment houses (most of which are still standing) that turned Budapest into a modern city in the late 19th century, how Hungarians as-similated their Germans and Jews (who together with the apartment houses turned Budapest into a modern city). There are fine chapters on the social and political function of the opererta (unlike the opera, it brought together the most disparate social classes and incorporated a modicum of satirical commentary) and on letters from peasant wives to soldier husbands during World War L

Michael Henry Heim, who translates fiction and drama from a number of East-Central authentic Hungarian pentaton- European languages, wrote ic melodies and integrating this for The Washington Post.

#### Inevitably with Eaglen comes the realism. The ship on which Tristan issue of her size. She is a large, thick-transports the Irish princess Isolde to limbed woman. Obviously this limits the Cornish king, Marke, whom she is By Anthony Tommasini her dramatic impact, but it also some-

A 'Tristan' for the Millennium

EATTLE — A promising new important opera company is al-ways an event. But what brought critics from across the United States and abroad to the Seattle Opera on Sat-urday night for the premiere of the company's new production of argu-ably Wagner's greatest opera was the chance to learn if, for the first time since the days of Birgit Nilsson and Jon Vickers, two singers have arrived who can maly make a claim to these incomparably demanding touchstone

This was the first staged performance of Isolde by the British soprano mance of isolde by the striish soprand Jane Eaglen, who has already established herself as a major interpreter of lished herself as a major interpreter of Brunnhilde in the "Ring" operas. It claim to calling these was similarly the first stage performance of Tristan by the Canadian tenor incomparably hard was similarly the first stage perforinterpreter of Tannhauser, Lohengrin and Walther. The expectations were high and the Ben Heppner, who is already a noted and Walther. The expectations that high, and the pressure on them must high, and the pressure on them must have been intense. Vocally they did not have been intense. Vocally they did not poignancy and clear German diction. disappoint. These fine artists have waited until the right ages to take on these roles: Eaglen is 38 and Heppner is 42, old enough to have depth, young enough to sound fresh and leave many

years for enrichment. The Seattle Opera has been an important place for both singers, and the company came through for them, pro-Jordan, generous rehearsal time and a provocative production directed by Francesca Zambello, which will very Tristan's long, exhausting monologue viding a noted conductor, Armin

likely engender divided reactions. Eaglen understands that Wagner must be sung basically with the tried-and-true principles of the bel canto tradition: a sense of long line, evenness of vocal production and smooth legato phrasing. But you must have uncom-sang the role without cuts. mon stamina and soaring power for Isolde, and Eaglen is the first soprano since Nilsson to make singing the role seem natural. She has warm, vibrant sound and full-voiced high notes that slice easily through the thick orchestration. Most impressive, however, is the elegance of her softer singing, the richness of her pianissimos.

production of Wagner's daunting "Tristan und Isolde" by an known her to have such fire and temperament as she brings to this porwhatever reason, perhaps first-night inters, her pitch sometimes edged sharp. But overall this sumptuously sung Isolde was the real thing. The bright tenorial coloring of

Heppner's voice is ideal for Tristan,

# Jane Eaglen and Ben

He also, of course, is a befty person. But it does not seem to impede the vitality and trim of his singing.

Although a complete uncut version of the opera was announced, two cuts, mostly from Tristan's music, which are often used, were insisted upon by the general director, Speight Jenkins, after the dress rehearsal: a long passage Tristan's long, exhausting monologue in Act III, about 11 minutes in total. Jenkins and Heppner want to restore the cuts later, but for this first try caution seemed advisable. Jenkins pointed out that Lauritz Melchior, the Tristan of the century, probably never

has arrived. Zambello worked with her frequent collaborators, the set and costume designer Alison Chitty, and the lighting The audience ovations were dedesigner Mimi Jordan Sherin. The servedly ecstatic. Eaglen and Heppner production, typical of Zambello, is a are to sing the roles at the Metropolitan mixture of symbolism and nonperiod Opera in the 1999-2000 season.

being made to marry, is a massive, what affects her singing. I had not gray, stage-filling freighter. The known her to have such fire and tem-walls slide apart to reveal Isolde, a captive below; above sailors swab the trayal. Still, there is sometimes a lack deck with mops, and Tristan broods, of rhythmic incisiveness and energy in conflicted between loyalty to his king her singing that seems related to her and untapped love for Isolde. Clearly, physical sluggishness. And for since this is an opera about internal emotions not external actions, Zambello and her team wanted to frame the lovers in smaller spaces within the larger stage. But the framing device herns the singers in and calls attention, paradoxically, to Eaglen's lack

Sometimes the stage effects are just that, effects, the most intrusive of which being the real sizzling flames that leap up and surround the lovers at the climactic moment of their drugassisted passion. It is a smoky, silly and somewhat smelly effect that distracted our attention from one of the great musical moments in all of opera.

Some of the imagery was striking, and Zambello remains an excellent director of singing actors.

She did wonderful work with the excellent young American mezzo-soprano Michelle De Young, who brought a sisterly tenderness to the character of Brangane, Isolde's attendant. And perhaps it took a female director to allow the wounded Tristan and his loyal friend Kurvenal, imposingly sung by the bass-baritone Greer Grimsley, to be so physically

tender with each other. Jordan conducted a spacious and tellingly shaped performance. The playing of the orchestra, though sonorous and full of character, sometimes lacked crisp rhythmic articulation. But the sweep of the conception was always involving.

The fine English bass Peter Rose was moving as King Marke. James Cornelison as Melot, Archie Drake as No matter. Heppner will surely gain in confidence in the role. A real Tristan ling as the sailor and the shepherd. gave solid performances. The most important news remains the emergence of the exciting new Tristan and Isolde.

# **BEST SELLERS**

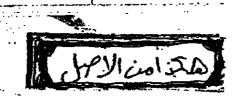
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# Coke's Figures: The Real Thing? Its Accounting Is Questioned

By Melody Petersen New York Times Service

NEW YORK — The Coca-Cola money

machine has whired along for years, producing extraordinary profits for investors. What helped set it in motion was management's decision in the late 1980s to remove the capital-intensive bottling factories from the company's books and place them in a separate company. The maneuver has proved so successful that archival PepsiCo Inc., a perennial also-ran, recently annonnced that it, too, would consider spinning off its bottling unit.

But a growing chorus of financial analysts and accountants are trying to strip the gears of Coca-Cola Co. They say that Coca-Cola and its giant bottling company, Coca-Cola Enterprises Inc., are essentially one business and should consolidate their financial statements, an argument not lost on

the accounting rule makers.

A consolidation would immediately cut hundreds of millions of dollars from Coca-Cola's earnings, the analysts say. And Coca-Cola would be forced to reclaim billions of dollars of debt that now resides with Coca-Cola Enterprises.

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"The numbers look wonderful," said Albert Meyer, an accountant and investment analyst, about Coca-Cola's financial report-

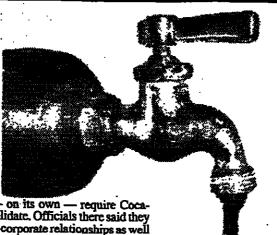
ing system.
"It is almost too good to be true." To him and others, it is not the real thing. "It is pretty fake, actually," he said in a

interpretation, and Coca-Cola has not been forced to consolidate accounting because it owns less than 50 percent of the bottling

But the Financial Accounting Standards Board, which sets the nation's accounting rules, has long been concerned that some companies, among them Coca-Cola, may be skirting the spirit of the rules.

So it is now discussing a new rule that would force companies with very close ties to consolidate even when there is a minority ownership — a rule that would apparently force Coca-Cola's hand. Though the board moves very slowly, a proposal is scheduled

for release late this year. The Securities and Exchange Commis-



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sion could — on its own — require Coca-Cola to consolidate. Officials there said they had looked at corporate relationships as well as stock ownership in determining control, but that they could not comment on Coca-

Cola's accounting in particular.

In select cases, they have forced companies to consolidate their financial statements after finding that one company clearly con-trolled many parts of another's business.

Without a doubt, the fates of Coca-Cola and its big bottler are mextricably linked. Coca-Cola recorded \$18.9 billion in worldwide sales last year, compared with \$11.3 billion for Coca-Cola Enterprises, which accounts for much of domestic Coca-Cola

But the global giant has a market value of \$203 billion, dwarfing the \$13 billion market value of Coca-Cola Enterprises. That divergence reflects a decade of superior returns for investors in Coca-Cola and a heavy debt burden at Coca-Cola Enter-

Critics of the current accounting practices say that Coca-Cola can, to some degree, bolster its bottom line through sales to the bottling company, over which it has much

Coca-Cola sells billions of dollars of softdrink concentrate each year to Coca-Cola Enterprises. It has also sold entire operations, including three bottlers last year for at least \$1.6 billion, to Coca-Cola Enterprises. Such sales could not generate profits if the accounting books were consolidated.

Coca-Cola stands behind its accounting.

Accounting rules leave some room for Randal Donaldson, a company spokesman, terpretation, and Coca-Cola has not been said that the company was "absolutely in accordance" with all accounting rules. Federal securities regulators were informed of the accounting system in 1986, when Coca-Cola Enterprises became a separate company, Mr. Donaldson said, and they did not

The two companies are independent, he continued, pointing out that Coca-Cola Co. has a minority stake, now 44 percent, in the

Because Coca-Cola does not control the bottler, it does not have the option of consolidating financial statements, he added. "This is an old worn-out point of view,

See COKE, Page 15

# Mixed Messages From Japan?

## New Finance Minister Hedges on Tax Cuts and Yen Intervention

By Sandra Sugawara
Wishington Post Service

TOKYO — Finance Minister Kiichi Miyazawa managed to stem the yen's free fall Tuesday by acknowledging that he had "sent a wrong message" to currency markets last week regarding

But Mr. Miyazawa offered only a vague description of the tax cuts the government would use to help pull Japan out of its worst economic slump since World War II, which raised concern he might be backpedaling on pledges to make the cuts permanent.

Prime Minister Keizo Obuchi pledged permanent income and corporate tax cuts of \$41.6 billion, and after meeting with the tax panel of the ruling Liberal Democratic Party, Mr. Miyazawa said the total package of cuts might exceed that amount.

But the finance minister said the final tax cut plan was not scheduled to be finalized before December. He also declined to call the tax cuts permanent, saying the tax cuts would be maintained until the economy revived.
At that time, they would be replaced by a complete overhaul of the tax system. The top individual tax rate will be cut to 50 percent from the current 65 percent, Mr. Miyazawa said. He did not specify by how much other income

bracket rates would be cut. On the currency issue, Mr. Miyazawa said Tuesday, "I sent a wrong message to the foreign exchange market because my comments regarding foreign ex-

change intervention were inadequate." "I didn't mean to say intervention was unnecessary," he said. Intervention is "unavoidable to correct market distortions and promote the orderly operations of a market economy.'

Mr. Miyazawa's comments helped stabilize the Japanese currency, sending the dollar below 145 yen in Tokyo trading, down from an earlier high of 146

yen — an eight-year record.

Last week, Mr. Miyazawa said that Japan and the United States should "leave moves in foreign exchange rates

and stock prices to financial markets." The comments contrasted sharply with previous Finance Ministry pronouncements that Japan did not want excessive yen weakness. Given Mr. Miyazawa's expertise in finance — he

is a former prime minister and has twice headed the Finance Ministry - currency traders assumed the threat of intervention had subsided. They began rapidly selling yen for dollars, despite subsequent statements by Haruhiko Kuroda, the Finance Ministry's international bureau head, that Japan's yen policy had not changed.

Mr. Miyazawa's actions and comments have been under close scrutiny because Mr. Obuchi has put him in charge of efforts to revive the moribund economy. Asia's ability to emerge from its economic crisis will depend heavily on Japan's success in turning its econ-

omy around.

Despite Mr. Miyazawa's remarks Tuesday, many traders said that they did not think government intervention was imminent because the last two efforts

had no lasting impact.
"We all know Miyazawa understands markets," said Sadaaki Tsunakawa, general manager of the treasury department of Citibank. "I don't think he has changed his position. He knows when he should intervene and also when it's meaningless to inter-

# **GM Will Spin Off Delphi Auto Parts**

NEW YORK - General Motors Corp. plans to spin off its auto parts subsidiary to shareholders next year, a move that could reignite the labor troubles that led to nearly two months of strikes that ended last week.

GM said Monday it would turn its Delphi automotive parts business into an independent company next year, creating a new Fortune 25 company worth an estimated \$13 billion.

Delphi is the largest supplier of automotive parts in the world, with about 200,000 workers worldwide.

The move, under discussion since early 1997, drew vocal opposition from the United Auto Workers union.

Richard Shoemaker, the union's vice president for GM issues, said, "Should GM decide to proceed with the sale as announced, the UAW's record is clear: We can and will aggressively work to protect the rights and interests of UAW

members impacted by the sale."

The move will further reduce the size of the biggest U.S. automaker and mark a big shift away from GM's history as a vertically integrated automaker that made most of its parts and assembled them into finished cars and trucks.

GM is scheduled to hold national contract negotiations with the UAW next summer, and the future of Delphi and its less profitable plants is expected

to be a major issue in those talks.

As part of the settlement last week that ended major strikes, GM promised not to sell or close two Delphi brake plants in Dayton, Ohio, and a parts plant in Flint, Michigan, before the end of

It was unclear how Monday's announcement would affect that promise. A major benefit of the sale to GM is that it can turn to lower-cost, nonunion suppliers for more of its parts, just as Ford Motor Co. and Chrysler Corp. do.

Delphi, meanwhile, will be freer to close unprofitable plants and attract contracts from other automakers.

John Smith Jr., the GM chairman and chief executive, said that the automaker wanted to be a company that assembles and markets cars but does not necessarily make its own parts.

The spinoff of Delphi "represents

nothing less than a fundamental shift away from vertical integration," Mr. Smith said.

The Delphi move caused Standard & Poor's Corp. to cut its outlook on GM's bonds to negative from stable. It said that ratings could be lowered in

the near term because of concerns about. how the Delphi transaction would affect GM's relations with its unions, "There is considerable uncertainty about the reaction of GM's unions," S&P said. On the New York Stock Exchange, GM shares closed down \$1.625 at \$69.50. (NYT, WP, AP)

# U.S. Buries Files — and File Clerks, Too

By Linda Perlstein

BOYERS, Pennsylvania - In 1902, when dynamite was first blasted in the gently sloping hill and limestone was carted away, when the only lights were mounted on hard hats, and when dust and clay thickened the air, who could have imagined this:

Dilbert calendars. Excel training. 'Look Who's 40" banners. Forcedcheer bulletin boards ("Turn Your Sumbling Blocks Into Stepping Stones"). And cubicle after cubicle after cubicle.

In a vast, windowless workspace tucked 252 feet (77 meters) under a treestudded mound in western Pennsylvania, the U.S. government processes retirement benefit claims and stores payroll and pension records for every person who has ever been in the government's employ. In some ways this federal office is just like those in Washington; in other

ways it's eerily unique.

Many of the 360 accidental spelunkers who work here found the cave bizarre at first. And every supervisor has a story about a job applicant who, in unid-interview, said, "I can't do this." "When I first came here, it was kind of scary," said Melanie Preston, 36, who reviews applications for disability benefits in a cubicle decorated with pink flamingos in Hawaiian leis. "I didn't see any sunshine. I thought the walls were going to cave in on me. I still think the walls are going to cave in on me."

The walls and ceilings have been left as rocky as they were when blown out,

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namite was crammed in, and the occasional drill bit can still be found stuck in rock. Fire extinguishers and flashlights are hitched to the wall at regular. intervals. In accordance with mine safety laws, small children and open-toed shoes are prohibited. Hygrometers tick off humidity readings atop file cabinets.

Antiseptic fluorescent lights are suspended from the limestone ceiling along miles of color-coded casings: gray for computer cables, red for sprinklers, white for air conditioning, as well as silver air ducts.

Underneath, workers tap away at computers, processing hundreds of billions of dollars in benefits at the Retirement Operations Center.

U.S. Steel Corp. operated the mine until 1953, sending the limestone to steel mills in Pittsburgh. Since the mine was closed, space in it has been offered for lease by a company called National

Underground Storage Inc. The mine is now thought to be the largest facility of its kind in the country. It is navigated by a 70-mile (112-kilometer) network of tunnels

The government uses about 225,000 square feet (21,000 square meters) for the retirement services and another 65,000 square feet for the Federal Investigations Service, which oversees personnel background checks. The records were moved from the overstuffed Pension Building in Washington in 1961 because the cave offered protection from nuclear fallout, low humidity. secrecy, and room for expansion

**CURRENCY & INTEREST RATES** 

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Libid-Libor Rates

**Key Money Rates** 

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though they have been smoothed a bit by latex paint. There are holes where dynamite). Also, the rent is cheap: \$10 a square foot today, a third of what simil space would cost in Washington.

In eight mammoth rooms, 300 million records are stored in 100,000 drawers in file cabinets stacked 10 high. Each row, and each drawer, bears a handwritten label. Beatrice Gardener to Curtis Z. Garfield. Halene Hatcher to Sharon Havlena. Sandra Newman to

Sylvia W. Newman. The mine is unmarked and invisible from the road. Employees park in a lot and walk a ramp down into the hillside, wind smacking them in the face. In the winter, when you enter, and in the summer, when you exit, glasses fog and hair frizzes instantly. A three-ton steel gate parts for cars, and a guard hands every driver a fire extinguisher.

The tunnels are breezy and cool, about 58 degrees, just wide and tall enough for two semitrailer trucks. Much of the labyrinth of tunnels that winds through the mine is developed into a street system, with stop signs, yellowstriped walkways and parking spaces for the lucky few allowed to drive in. Here the walls are lined with heavy steel doors, most labeled only by number, which protect the files and treasures of hundreds of clients besides the federal

Inside the federal offices, it is bright. Every day here is casual day; employees need not wear business clothes.

The radio is constantly piped through

See CAVE, Page 15

Global Private Banking

# INTELLIGENT CONSERVATISM, VIGOROUSLY PURSUED.



There are as many formulas for success in business as there are businesses. Republic's formula has a time-tested advantage: it works.

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Strength, security, service - the "open secret" of Republic success. It provides what so many people, everywhere, want and need in a private bank.



7% 6% 7% 7% 7% 5.70

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n.a. 285.35 + 1.70 285.70 286.10 -- 0.05 287.60 292.50 + 4.60

# Republic National Bank of New York

Strength. Security. Service.

A Safra bank - New York - Centera - London - Beijing - Beirot - Reverly Hills - Buenns Aires - Cayman Islands - Copenhagen - Encino - Cik mey - Hong Kong - Islanbol - Jakarta - Lao Angeles - Lugano - Lucembourg - Manila - Mexico City - Mians - Milan - Monte Carlo - Montevideo un - Parie · Panta del Este · Rio de laneiro · Santiago · Sao Paulo · Singapore · Sydney · Talpei · Tolyn · Torunto · Zurich

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Tuesday's 4 P.M. Close The 2,600 most traded stocks of the day.

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#### THE AMERICAS

# Jury Reviews Archer Daniels Video

By Kurt Eichenwald New York Times Service

nian,

companies sat at a hotel conference table in Irvine, California, and for several hours benefit and for several hours benefit against one defendant, Michael Andrews Whitage manipulated investigators eral hours haggled over data they were dreas, the son and former heir apparent and Archer Daniels officials to create

The October 1993 lunch meeting, which brought together two officials from Archer Daniels Midland Co. and two from Ajinimoto Co. of Japan, was no ordinary exchange, according to the its bioproducts unit, which produces U.S. government, but the critical stage lysine. in a conspiracy to fix prices of the additive, known as lysine. And unknown to all but one man in the room, every word was being videotaped.

On Monday, more than three years after government raids disclosed the existence of a huge price-fixing investigation, prosecutors played that

CHICAGO — Top executives from two of the world's most powerful food companies sat at a hotel conference.

The tape has already played a critical dollars from Archer Daniels through a complex fraud.

Indeed, lawyers for Mr. Andreas and Indeed, law

Also charged in the case are Terand Mark Whitacre, the former head of

The government has already secured

settle price-fixing charges.

Mr. Whitacre served as a governvideotape before a federal jury that is his colleagues over more than two hearing the criminal price-fixing case against three former Archer Daniels case after the government charged that

executives. All three have pleaded not he had violated his cooperation agreement by illegally taking millions of

providing each other about sales of a to the company's chairman, Dwayne evidence of a conspiracy. They maintain that many of the recorded conversations involve either innocent rance Wilson, the former head of the business discussions or elaborate efcompany's com-processing division, forts to trick Asian competitors into providing information that would allow Archer Daniels to gauge the size of

the lysine market. At the hearing on Monday, which guilty pleas from some of the executives involved in the conspiracy and each of the companies; Archer Daniels corded by Mr. Whitacre in 1993 during agreed to pay \$100 million in 1996 to a meeting between senior Archer Daniels executives and officials of Ajinimoto. "We have a saying at this ment informant and secretly recorded company," James Randall, then pres-

Continued from Page 1

from their highs.

The blue-chip averages, ficient to trigger a significant decline in stocks, according to Mr. Dwyer and other analysts, who said rising interest rates and visible problems in the U.S. economy\_would be needed to derail the bull mar- as vehicles to save for retireket that has seen the value of ment and from overseas purthe Dow industrials triple in chasers who prefer to buy this decade.

The analysts also noted the Dow and the S&P 500 were This has allowed valuations

simply catching up with de- on the shares in the biggest clines registered in recent companies to exceed those of weeks by stocks smaller than their smaller competitors. the large issues that make up those indexes. Mr. Manley of Salomon Smith Barney noted bringing them into line with that as of Friday, more than 50 small stocks, Mr. Dwyer said, percent of the New York "the market is already closer

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**World Ind** 

S. America

REFLY

down more than 20 percent

which are often considered surrogates for the entire market, have been attracting investment from Americans using index-based mutual funds normal pause in an incredible

Stock Exchange stocks were to a bottom than a top.'

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rib In	dex	Prices a	s of 4:00 P.M.	New York Sme.	rate of about 2.5 percent, so
2 = 100	Level	Change	%change	year to date %change	would require growth of onli about 3 percent to keep re
lex Maces	192.57	<b>— 2.49</b>	<b>1.28</b>		turns from stocks in line wit those on long-term bonds.
C	78.82	-0.38	-0.48	— 17.96	Although profit growth i
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i ndaze <sub>n</sub>	126.28	5.34	- 4.06	— 17. <b>29</b>	years, "you still have 60 per cent of the S&P market cap
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	194.33 144.35	— 6.87 — 0.41	0.45 0.28	0.32 + 17.40	quarter," Mr. Manley said
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eas	203.06	4.46	<b>—2.15</b>	+16.49	U. S. STOCK M
	168.20	<b>— 0.31</b>	0.18	+0.80	

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### **AMEX**

The 200 most traded stocks of the day,

Impelling of impelling of the control of the contro

That sentiment was wide- lot of growth companies." spread on Tuesday. Michael Mr. Manley acknowledged Holland, an investment that the deflationary pressures manger who has his own firm from Asia remained a conin New York, said, "I don't think this is the beginning of the end; rather, I think it is a

bull market." Although the analysts agreed that stock prices were highly valued by historical measures, Mr. Manley said they still seemed to offer competitive returns.

While the yield on government bonds is about 5.5 per-Thus, if the decline in big-cent, dividends on the S&P leading economic indicators company stocks is seen as 500 are about 1.7 percent, he fell 0.2 percent in June, the said, a level that reflects the second month in a row it has recent shift by U.S. companies away from cash payouts time it has fallen in consecin favor of stock repurchases. Adjusting the yield for those buybacks gives a dividend rate of about 2.5 percent, so it would require growth of only about 3 percent to keep re-turns from stocks in line with

> Although profit growth is slowing from the double-digit rates recorded in the past few years, "you still have 60 percent of the S&P market capitalization growth at better than 10 percent in the second Don't tell me there aren't a from Monday.

MARKET: U.S. Stocks Plunge as Worries Mount Over Asia Crisis cern, but he pointed out that

the American economy was

still growing and that the U.S. government was running a ondget surplus. If a recession loomed, the government could increase spending or cut taxes, and the Federal Reserve Board could reduce interest rates. There was some indication

of economic weakness on Tuesday, when the Conference Board said its index of declined. That was the first utive months since 1995.

The U.S. economy expanded at a 1.4 percent annual rate in the second quarter, down from a 5.5 percent rate in the first quarter. The secondquarter expansion was however, faster than many economists had expected.

Bond prices rose after the report was released, but they pared their gains as the day progressed and stocks stabilized. The 30-year Treasury bond was yielding 5.62 perquarter," Mr. Manley said. cent, down from 5.65 percent

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**医李克克克克森** 

U. S. STOCK MARKET DIARY

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INCREASED

NYSE

# Remarks in Tokyo Stem Dollar's Rise

Finance Minister Kiichi step in to the foreign-exchange market when currency moves become "dis-

#### FOREIGN EXCHANGE

stemmed the dollar's gain against the yen.

"The remarks put some caution back into the market," said Jesse Torres, chief currency trader at Bank Austria. "They're afraid that a weakening currency would cause more problems and feel they may need to come in and

The dollar was quoted at 4 P.M. at 145.150 yen, down from 145.595 yen on Mon-

day.

Some traders expect the yen to resume its decline drop as an opportunity to buy the U.S. currency cheaply. Concern that the U.S. and

Japanese central banks might buy yen for dollars also was from \$1.6270.

fueled as Haruhiko Kuroda. NEW YORK - The dollar head of the Finance Minfell against the yen on Tues- istry's international bureau, day for the first time in five said the yen was "excess-days after Japanese finance ively weak." He added that officials suggested they would Japan was "ready to take apsell dollars to bolster the yen. propriate action on the yen when necessary" because the Miyazawa said officials may currency's weakness was not good for Japan, Asia and the

rest of the world. Many traders and analysis His remarks remain skeptical that Japan will sell dollars any time soon. "Why would the Japanese want a stronger yen, from a macroeconomic point of view?" said Tom Arnold, chief currency trader at Dai-Ichi Kangyo Bank. "A weaker yen would help exports and help the country get out of a

> The dollar was at 1.7717 Deutsche marks, down from 1.7840 DM, ravaged by a

> The dollar is moving in sympathy with the Dow, said Rainer Guidon, a manager of foreign exchange at Erste Bank.

The dollar was also at quickly and view the dollar's 1.4933 Swiss francs, down 5.9525 French francs, down to draw more customers to its Web site. from 5.9815 francs. The pound was at \$1.6370, up

# AlliedSignal Sets Hostile Bid Of \$9.8 Billion to Buy AMP

NEW YORK - AlliedSignal Inc. made a hostile bid for AMP Inc. late Tuesday, offering \$9.8 billion for the electronic maker's stock, a 58 percent premium to the year-low reached earlier in the session.

Larry Bossidy, chairman of AlliedSignal, said the conglomerate made the public offer "after our requests for discussions were ignored by AMP management." He added that his company "preferred a negotiated transaction with AMP" and indicated that a friendly deal might be achieved at a higher price.

AlliedSignal offered \$44.50 per share for AMP, whose stock reached a 52-year low of \$28.125 before the bid was

announced. It said financing was available for the bid, but it did not specify the source, and it also said the tender

offer was "subject to customary terms and conditions," which it also did not spell out.

Appealing to AMP's workers as well as its managers, AlliedSignal said "we can offer employees a wide range of career opportunities and the benefit of world-class education programs." Last month, AMP said it would consolidate plants and trim 3,500 positions.

#### Investor's America Exchange Prev: Change 8487.31 8786.74 S&P 500 1072.12 1112.44 -3.62 525.64 545.80 U.S. NYSE Composite 541.86 560.89 Needed Composite 1785.69 .. 1851.10 -3.53 U.S. AMEX Composite: 578.75 ... 697.87. TSE finder 6704.30 6939.43 Hovespa 9859.52 10412.99

#### Very briefly:

Buenos Aires Metvei

 Amazon.com Inc., the biggest on-line bookseller, said it would buy two closely held Internet companies, PlanetAll from 1.5002 francs, and at and Junglee Corp., for about \$280 million in stock as it seeks

558.49

IPSA Cocueral 4081.26 4114.23 -0.80 Capital Gerseral 4656.05 4741.72 -1,81

577.52 -3.80

• Entergy Corp. plans to sell is British and Australian electricity distribution units and cut its annual dividend to \$1.20 from \$1.80 in an effort to raise \$4 billion to reduce debt and invest in more profitable businesses.

• Ziff-Davis Inc., the publisher of computer magazines, said its second-quarter loss grew to \$76.5 million from \$17.4 million a year ago as advertising revenue from its business publications fell. Revenue dropped 8 percent, to \$276.5 million.

• MCI Communications Corp., in an agreement with the Federal Communications Commission, will provide credits to callers who used MCI's dialaround service, now called 10-10-321, but got billed at the company's highest rate.

• Humana Inc., a managed health care company, said second-quarter profit rose 24 percent, to \$52 million, as commercial membership increased. Premium revenue grew 33 percent, to a record \$2.4 billion.

• Polo Raiph Lauren Corp.'s first-quarter profit rose 32 percent, to \$22.7 million as sales of clothing and licensing revenue increased.

• Mercedes-Benz AG, the luxury-car unit of Daimler-Benz AG, said July sales in the United States rose 53 percent, to 10,310 vehicles amid booming demand for the M-Class sport-utility vehicle, which is made in the United States.

 Chrysler Corp.'s July sales rose 3 percent, surpassing 200,000 units for the sixth consecutive month, as it benefited from the strike at General Motors Corp.

 Japan-based investors were the largest holders of U.S.
 Treasury securities in May, with \$266.9 billion in debt, up from \$264.2 billion in April. British-based investors were second, with \$265.7 billion, down from \$269.2 billion in

### INTERNATIONAL FUTURES

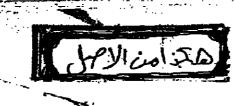
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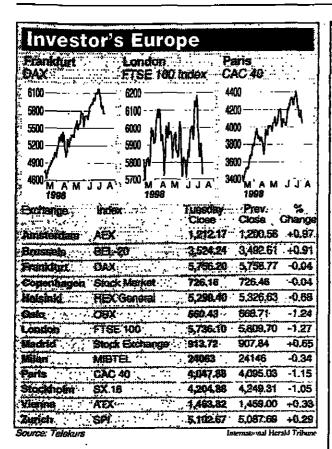
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**EUROPE** 



#### Very briefly:

• British Petroleum PLC's quarterly profit fell 20 percent to £695 million (\$1.16 billion) amid the effects of a severely depressed oil market. Pretax profit for the three months ending June 30 compared with earnings of £874 million in the same period a year earlier.

• KLM Royal Dutch Airlines net profit for the first quarter of 1998 rose 12 percent to 212 million guilders (\$106 million) but was dented by Asia's economic crisis.

• The London International Financial Futures and Options Exchange, under attack by a German rival, traded 13.28 million contracts in July, 28 percent down from the same period last year. The July total compared with 18.37 million futures and options contracts traded in July 1997.

· South African Reserve Bank's net reserves fell an un-• South African Reserve Bank's net reserves fell an un-expected 14 percent in July as it drew more heavily on foreign the head of Salomon in a managecredit lines to shore up the rand. Provisional gross reserves of gold and foreign exchange fell to 32.6 billion rand (\$5.2 billion) in July from 33.4 billion rand in June.

• Julius Baer Holding AG, Switzerland's third-biggest listed money manager, reported that first-half profit rose 73 percent, more than expected. Net income rose to 186 million Swiss francs (\$122.8 million), or 157.6 francs per share, from 107.5 million francs, or 91.2 francs a share, a year earlier.

• Philips Electronics NV bought the 49 percent it did not already own in Submicron Semiconductor Technologies GmbH from International Business Machines Corp., its partner in the joint venture.

• Saab Automobile AB, the Swedish carmaker that is halfowned by General Motors Corp., registered an 11 percent rise in U.S. car sales in July compared with a year earlier. For the month, 3,106 Saab cars were sold, compared with 2,801 in utive of the German chemicals 80 DM in Frankfurt. July a year ago. Bloomberg, AFP, AP, Reuters group, also said that Asia's financial

# **NatWest's Share Price Soars**

# Increase Fueled by Gains in Banking and Venture Capital

By Tom Buerkle

LONDON -- Share prices in National Westminster Bank PLC soared 10 percent on Tuesday after Britain's second-largest bank anhigher-than-expected 46 percent to £715 million (\$439.4 million) in the first half of this year.

The increase was fueled by healthy gains in NatWest's core retail and commercial banking activities, a surge in dealing profits and big gains from venture capital

It indicated that the bank was reaping substantial rewards from its decision last year to pull out of the equities business following major losses there and focus on domestic banking.

'It's a good start on our new strategy," said the chief executive, Derek Wanless,

Analysts welcomed the figures

but questioned whether NatWest would be able to maintain the earnings momentum now that the British economy, which it depends on for the bulk of its profits, is slowing markedly.

NatWest's share closed at nounced that after-tax profit rose a £11.46, up 107 pence in London. "It's pretty much as good a half year as you're going to get from NatWest," said Neil Baker, an analyst at Dresdner Kleinwort

> . NatWest's lagging performance has made it a frequent target of takeover or merger speculation over the last year — speculation that revived last week after the chairman of Lloyds TSB Group, Sir Brian Pitman, predicted that British banking would see a wave of U.S.-style consolidation in perhaps 18 months.

Mr. Wanless dismissed the speculation and said the results proved NatWest could generate strong returns on its own.

'We think there is a lot of value to be created in our business by managing it better," be said.

Pretax profit in the British banking division rose to £555 million in the first half, up 16 percent from a year earlier. The increase would have been greater if not for a £65 million charge to cover potential liabilities for questionable pension advice given in the late 1980s, which has affected most British

Although costs in the unit have remained essentially flat for 18 months, NatWest's cost-to-income ratio of around 64 percent remains well above the benchmark

of 46 percent set by Lloyds TSB.
Analysts also questioned whether NatWest could keep such a tight lid on bad-debt provisions, which fell by £63 million to £207 million. Mr. Wanless said the bank had toughened its lending requirements 18 months ago in anticipation of an economic slowdown.

# Hard Rock's Net Lifts 'Weak' Results at Rank

LONDON - Rank Group PLC

said Tuesday that its profit rose 16 percent in the first half, to £78 million (\$126.9 million), as subsidiaries like the Hard Rock restaurant chain and Mecca bingo parlors in Britain showed improved results. But analysts were disappointed

and Rank's shares fell sharply. Rank's net earnings for the period compared with profit of £67 million a year earlier. Revenue rose to £901 million from £853 million in the first half of 1997.

"This performance, in difficult U.K. trading conditions, highlights the strengths of our major brands," said Andrew Teare, the chief executive. "With our strategy on track and the resilience of our major brands, we are well-positioned for

the second half." Analysts expressed disappoint-

ment with the figures. "It was a weak set of results,"

Charterhouse Tilney. "If you strip out the contribution ox photocopying business.

(AP, Bloomberg, Reuters) from Hard Rock, the core business

was sluggish," he said, adding that Rank's nightclubs and Butlins vacation camps had produced disap-

pointing results.

Earnings at the Deluxe film-services unit rose 45 percent, to £29 million. Profit at Hard Rock rose 15 percent, to £23 million. Earnings at the vacation unit fell 12.5 percent, to £7 million. Profit in the leisure unit fell 6.4 percent, to £44 million.

Shares in Rank fell 19 pence, to 309 pence. Market speculation that Rank might attract a bid from U.S. investment firms lifted the stock on Friday and, analysts said, helped to cushion the fall Tuesday. Mr. Teare. had no comment on the speculation.

Rank has started to focus on its major leisure and entertainment brand names, while seeking to cut costs and raise profit margins.

The company is nearing the end of a two-year reorganization, during which it has shed 11 businesses and has funneled money into the leisure said Andrew Burnett, an analyst at divisions it wants to expand. A year ago, Rank sold out of the Rank Xer-

# **Adidas Shuffles Personnel After Losses**

Agence France-Presse

MUNICH - Adidas-Salomon AG, the German sporting-goods amid disappointment at Salomon's manufacturer, showed Tuesday a net loss in the first six months after allowing for charges arising from nomic crisis in Asia. The company the acquisition of Salomon, the said that earnings per share for the French maker of winter-sports full year would not increase.

ment shuffle.

LONDON — BASF AG, which

rise, said Tuesday that it would seek

adopt U.S. General Accepted Ac-

Juergen Strube, the chief exec-

1.85682113699181698734926883679233783958155891178816751453447993377394157582228 

counting Principles this year.

takeover would turn into a success, performance so far this year and concern about the effects of the eco-

Adidas-Salomon said it had booked a net loss of 487 million Deutsche marks (\$273 million ) from January to June, after taking A new management was installed into account a one-time charge of

Profit Up, BASF to Seek NYSE Listing

crisis would slash about 500 million

Deutsche marks (\$280.27 million) from its total 1998 sales. reported a 14 percent first-half profit BASF reported a net profit rise to 1.62 billion DM in the first six a listing in 2000 on the New York months of the year. Sales rose to 28.74 billion DM from 27.79 bil-Stock Exchange and planned to

> BASF shares fell 50 pfennigs to (Bloomberg, Reuters, AP)

at Salomon with promises that the 723 million DM connected with the purchase of in-process research and development from Salomon. Excluding that charge, net profit grew by 4 percent to 236 million DM and pretax profit by 8 percent to 379 million DM.

Group sales totaled 4.947 billion DM. Compared with the figure for the first half of 1997, which did not include Salomon, that represented an increase of 57.8 percent.

Robert Louis-Dreyfus, the chairman, said at the group's midyear press conference, "We were disappointed by the first six months" with Salomon, "but over the next 18 months, we will prove to both shareholders and management that they needn't regret the acquisition."

A statement Tuesday announced the departure of Jean-Francois Gautier, Salomon's president. Mr. Louis-Dreyfus is now the new president of Salomon. For the next six to nine months, he and his deputy, Christian Tourres, "will devote the majority of their time to the management of Salomon," the statement said.

6.78 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 20.51 2

Stock Market Index: 7572.14 Profess: 7579.84

39.70 66.00 273.00 103.50 61.00 66.00 20.20 39.30 65.00 290.00 103.00 61.50 66.50 20.20

# French Bankruptcies Hit a Four-Year Low

PARIS - French bankruptcies fell 42 percent in May from April, with fewer companies in all industries going out of business, according to government figures released Tuesday.

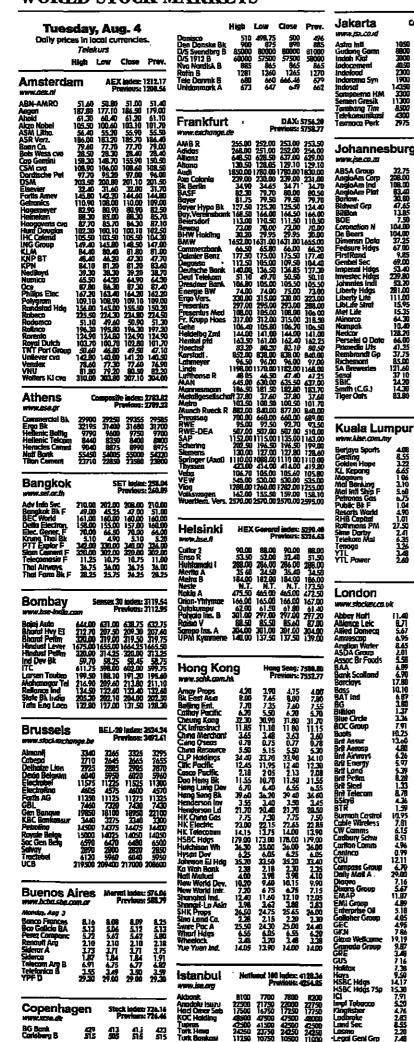
The national statistics office, INSEE, said 2,315 bankruptcy decisions appeared in May's official bulletin of civil and commercial announcements, the lowest in four years, compared with 3,989 the previous month.

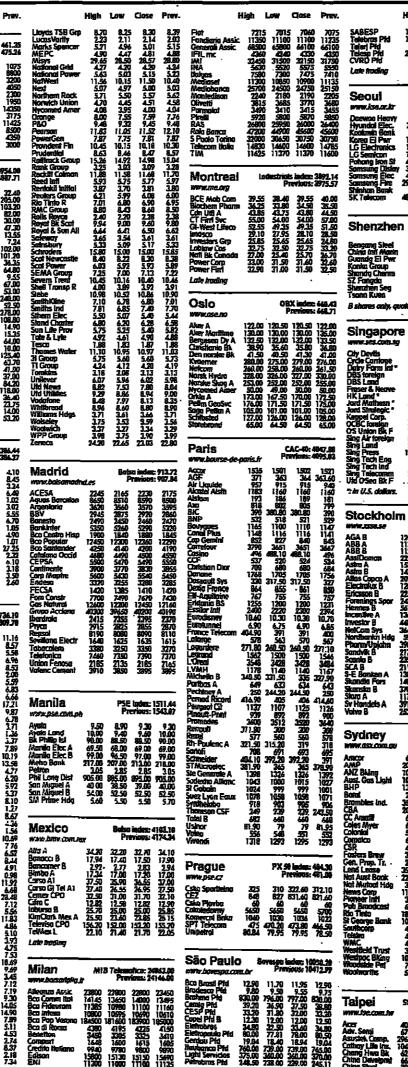
Fewer businesses are expected to fail as the economy grows by an estimated 3 percent this year, after 2.3 percent growth in 1997. During the past four years, companies have reduced their debt, cut costs and are more profitable, various reports show.

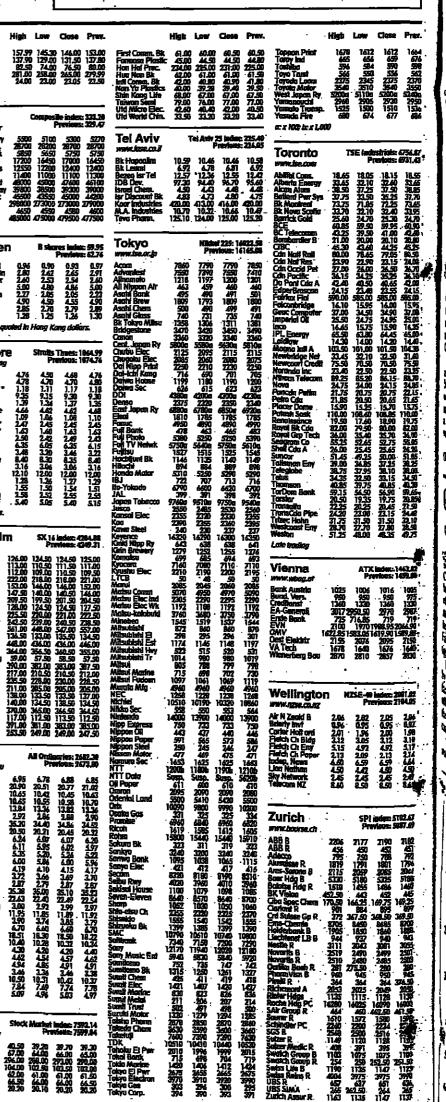
Bankruptcies had risen 22.5 percent in April and dropped 27.6 percent in March. While the monthly figures tend to be erratic. this year's numbers are down from 1997, when more than 4,100 companies went bankrupt every month. Compared with a year ago, bankruptcy decisions feli 8.6 percent in the three months ended

INSEE also reported that confidence among construction companies rose in July to its highest since 1990, with more working at full capacity and seeking qualified workers. The industry expects 1998 to be its first year of growth after seven straight years of decline following a cut in public works projects and a stag-nant property market.

# **WORLD STOCK MARKETS**







ASIA/PACIFIC

# Ran Over Yuan Hits Stocks In China

SHANGHAI - China stocks

olunged to record lows Tuesday as shaken investors fled a market plagued by worries over a yuan dealuation and poor corporate results.

The index of Shanghai stocks open to foreign investors, or B shares, fell 2.9 percent to a record low. In the southern city of Shenzhen, the benchmark slid 4.5 percent.

"Foreign investors aren't confident about the stability of the yuan," said Xu Ling, a trader at Shenyin & Vanguo Securities Co.

China has pledged not to devalue the yuan, but many economists say a devaluation is inevitable if the yen continues to weaken. That would probably touch off another round of currency devaluations in Asia and threaten the Hong Kong dollar's peg to the U.S. doller.

Peter Everington, investment di-rector at Regent Pacific Group Ltd., said that the Hong Kong dollar peg and the yuan would break. "I think it's a toss of the coin which goes

China's currency is vulnerable because the economy is already starting to slow.

Prime Minister Zhu Rongji conceded over the weekend that China of 19 state-owned firms, including was suffering from deflation at the giant Korea Telecom Corp., that levels that could make it impossible to achieve the government's target 2002 and promised a "rapid deof 8 percent growth in gross domestic product this year.

said that China's worst flooding in four decades threatens to cut another 0.5 percentage points off of thirdquarter growth. Chinese companies were already reporting slowing profit growth after retail prices fell 2.1 percent in the first half.

The market has not stabilized yet — the main reason being that midyear results are not all out yet," an analyst at Nikkei Securities said. The market will only rebound after the risk from midyear reports has been removed.

But a yuan devaluation would make it difficult for companies to improve profits, since it would drive up borrowing costs for many. companies that generate revenue in the Chinese currency.

Talk of a Chinese devaluation continued to sweep through Shanghai's black market on Tuesday.
(AFP, Bloomherg)



Hong Kong bargain-hunters busy Tuesday at one of 23 shops to
be closed in the territory by Theme International Holdings.

Monday that the gross domestic to get worse. New layoffs are announced daily. (AP, Bloomberg)

# Hong Kong Official Says Not All Is Bleak

HONG KONG - A day after quarter. announcing that output had connentals remained sound.

Alan Lai, director-general of Kong business executives "are still able to deliver, and we still Registry. maintain a smooth operation in respect of our manufacturing ac-

"We have a lot of factories across the border, and because of the stability in the region, we are able to accept orders," Mr. Lai told government-run radio.

'We are able to maintain a certain edge" compared to other producers in the region, which 'they don't have the sort of political stability that we enjoy

The government announced on

cent in real terms in the first

The government also warned tracted terribly, a government of that the GDP figure for the second ficial said that economic funda- quarter would be "somewhat worse.

Sales of apartments fell by 31.3 trade, said Tuesday that Hong percent in July from June, according to the government Land

A total of 6,280 apartments, with a combined valued of 18.1 billion Hong Kong dollars (\$2.34 billion), changed hands last

The property market has been depressed for a year. Sales were down in July by 27.7 percent from

Hong Kong property de-velopers started to cut prices in have to pay higher prices for raw earnest in May. Apartment prices materials, he said. He added have fallen by about 45 percent earnest in May. Apartment prices since the record highs of one year

> Unemployment is at a 15-year high, at 4.5 percent. It is expected

employees at the companies, pro-

second-biggest labor union.

voked a warning from Korea's

workers make the entire sacrifice,

scrapping its earlier promise it

would come up with a plan through

negotiations with us," said Cheong

Sung Hee, a spokesman for the

Korean Confederation of Trade Un-

ions, which represents 530,000

various ways unless the government

scraps it," he said.
On Monday, to show its dissat-

isfaction, the labor union boycotted

the meeting of a tripartite commis-

sion that is made up of the gov-

ernment, labor unions and compa-

nies as they failed to reach an

agreement on ways to revamp state-

The Korcan government said last

month that it would start selling \$10 billion of shares in Pohang Iron &

Steel Co. and 10 other state-owned

owned companies.

'We will protest the move in

workers at 1,000 work sites.

"The government is demanding

#### Investor's Asia Singapore Straits Times Hang Seng 2000 17600 110001 17G0D 1600 🗸 100000 1450 16400 15300 9000 8060 15200 7000 <sub>M. A. M.</sub> Exchange Prev. Index Change Close Close 7,552,77 Hang Seng Singapore Straits Times 1.064.99 1,074,76 -0.91 Sydney Ali Ordinanes 2,682,30 2.673.80 +0.32 Nikkei 225 Tekyo 16,023.58 16,165.08 -0.88 Kuala Lumpur Composite 386.44 386.27 +0.0 **Bangkok** 258.04 260.89 329,47 Stock Market Index 7,593.14 7,599,04 Taipei Marilla 1,543.07 1,511.44 Jakarta Composite index 461.35 475.26 2.081.02 2.104.05 -1.09 Wallington NZSE-40 Bombay 3,119.54 3,112.95 +0.21 Source: Tele

#### Very briefly:

 Australia said it wanted to award a contract worth 3.5 billion Australian dollars (\$2.1 billion) to build and operate a high-speed train link between Sydney and Canberra to Alstom SA and Leighton Holdings Ltd. A final decision could take another 18 months, however, and the companies still face competition from a group led by Thyssen AG and John Holland Construction & Engineering. Alstom, builder of the TGV, the French high-speed train, would provide the trains for Australia, while Leighton would install the track.

• Singapore Airlines agreed to buy 5 to 10 percent of China Airlines of Taiwan and said the stake might be increased. Under their ailiance, the airlines plan to coordinate flight

 Okura & Co. shares were suspended on the Tokyo Stock Exchange after plunging the daily limit on rumors of financial difficulties at the Japanese steel trading company. The stock dropped 50 yen, to 84 yen (58 cents).

• Sega Enterprises Ltd. subsidiary Sega Enterprises Inc. (USA) has taken over the commercial-game-machine sales division of Sega Game Works, which is jointly owned by Sega, DreamWorks SKG and Universal Studios Inc. The price of the transfer was not disclosed.

Nissan Diesel Motor Co., a truckmaker affiliated with Nissan Motor Co., said it would give two extra days off this summer to its factory workers in Japan, as it reduces production amid declining sales.

· Malaysia said it would pull out of the International Natural Rubber Organization, made up of producers and consumers, and try to form a separate producers' cartel to cut output and lift prices. Prices of natural rubber have slumped almost 27 percent in the last 12 months.

 Arab-Malaysian Corp. shares plunged 0.17 ringgit, to 0.59 ringgit (14 cents), as they traded for the first time since the company, which controls the seventh-largest banking group in Malaysia, won court protection from creditors.

companies beginning in June to re-pay debt and revitalize a shrinking Philippine exports grew 12.2 percent in June, less than expected, despite stronger-than-forecast sales of electronics. Korea Telecom plans to restruc-The government said exports totaled \$2.3 billion. For the first ture and will sell or contract out six months of the year, exports rose 18.8 percent, to \$13.9 satellite communications and telebillion, it added. Exports had been rising at a 20 percent rate gram services. (AFP, Bloomberg) until recently.

# Seoul Earmarks State-Owned Firms to Be Sold

SEOUL — South Korea on Tuesday unveiled a list of 40 subsidiaries are carmarked for privatization by monopolization."

First-half growth was just 7 percent, and analysts in Hong Kong cabiner, was part of a second round the communications market, will lose 13 of its subsidiaries, the com-

KUALA LUMPUR - The cen-

tral bank of Malaysia on Tuesday

ing of an increase in bad loans amid the economic downturn.

which may buy stakes from share-

holders who are not able to keep

their banks affoat, the central bank

said. The special company, Danamodal Nasional Bhd., is to

begin operations next month.

and downsizing unwieldy public entities.

mission said, adding that the power includes the firing of one-fifth of the employees at the companies, pro-"To this end, the state-owned

parent enterprises are to be required ized by 2002. to divest from the subsidiaries engaged in, and sell the assets used for activities unrelated to their respective 'core' business activities," a The list, presented by the Plan- planning commission official said.

of reforms aimed at restructuring lose 13 of its subsidiaries, the com-

Corp. would see seven units privat-

Other targeted state-owned en-terprises with subsidiaries include Korea Land Corp., Korea National Housing Corp., Korea Petroleum Development Corp., Agricultural and Fishery Marketing Corp., and

Korea Tobacco and Ginseng Corp.

Malaysia to Inject Capital Into Its Banks The move comes as Malaysia To raise money for its operations, ies to overhaul its troubled banktries to overhaul its troubled banking industry, which it says needs as to foreign investors.

Nonetheless, Prime Minister Mahathir bin Mohamad on Tuesminute and the state of the sta day renewed his attacks on for-Analysts said banks might need eigners — particularly currency Malaysia plans to pump 1.5 bil-lion ringgit (\$361 million) into a PB Worldsec Securities Advisor, traders - vowing that Malaysia would not seek outside help for its new bank recapitalization agency, estimates that the amount could be economic recovery. as large as 30 billion ringgit.
The central bank

Speaking to thousands of people during a one-day visit to the south-Danamodal's operations would ern state of Johore, he said Malaycomplement an asset management corporation set up last month to help absorb nonperforming loans.

sia was going through a "second independence struggle."

(AFP, Bloomberg)

could be charging too much,

Other stock market and lysts and accountants have questioned Coca-Cola's accounting after examining its

Street, it seems, is that En-terprises and Coke are one and the same company, accounting principles to the contrary notwithstanding, wrote James Grant, the editor of Grant's Interest Rate Observer, in a 1996 article. "In essence, the bottling giant is a kind of receptacle for the everyday business detritus that would otherwise mar the parent's nearly perfect finan-

### Rhône-Poulenc reports 29% gain in net earnings in second quarter 1998

Rhône-Poulenc

is a leading

life sciences company

growing through

innovations

in human,

plant and animal

health

and through

its specialty

chemicals subsidiary,

Rhodia.

"The successful listing of Rhodia on the New York and Paris stock exchanges marked the last step in the transformation of Rhone-Poulenc. as announced in June 1997. Today we can focus on maximising the potential of our new products and improving profitability - the growth in carnings during the first half is in line with this strategy. Our objective continues to be a 20% increase in earnings per share over the full year, although this remains an ambitious goal."

> Jean-René Fouriou Chairman & Chief Executive Officer

Consolidated accounts second quarter 1998

Sales: FF22.3 billion (+2.8%)"

Net income: FF2.6 billion Excluding non-recurring items': • Net income: FF1.2 billion (+29%)

• Earnings per share: FF3.28 (+16%) Earnings per share before goodwill amortization: FF4.26 (+17%)

This increase in earnings confirms the growth recorded in the first quarter 1998. Overall, for the first half of the year, net income (excluding nonrecurring items<sup>(7)</sup> increased 29%, to FF2 billion. Earnings per share amounted to FF5.7 (FF7.6 before goodwill amortization).

For the first half of the year, consolidated net sales rose 7% to FF44.3

#### Pharma Sector Rhône-Paulenc Rorer.

Pasteur Mérieux Connaught, Centeon Consolidated net sales: FF8.4 billion (+6.2%) Earnings from operations": FF1.2 billion (+33.1%)

 Growth in demand remains strong for strategic products such as the anti-cancer agent. Taxoteres, the lowmolecular-weight heparin, Lovenox-. the anti-allergy medication, Nasaconand vaccines. In the respiratory business, a strengthened sales promotion campaign has curbed the erosion in market share.

· However, sales growth in a number of products has been impacted during the second quarter by some destocking at wholesale level in the U.S.

· The growth in carnings from operations? is due to an improvement in product mix and the first positive effect from Centeon's recovery.

#### Plant & Animal Health Sector Rhône-Poulenc Agro, Rhöne-Poulenc Jardin

Rhône-Paulene Animal Nutrition, Meria Consolidated net sales:

FF4,4 hillion (-1.7%) Earnings from operations\*: FF LO billion (+13.8%)

· The growth in new product sales. like the insecriside Regents and the external antiparasitic Frontlines. parily compensated for some unfavorable events (the economic situation in Asia, bad weather in the United States, disruptions of supplies from Temiks distributors, etc.) which affected sales performance.

 As part of its development strategy in plant biotechnology. Rhône-Poulenc Agro signed a partnership agreement with the American company Mycogen. This agreement aims to develop and market genetically modified plants and seed products, cotton and sugarcane being the first markets.

# Consolidated net sales: FF10 billion (+1.7%) Earnings from operations":

· The continued refocusing of the portolio on specialty chemicals and

productivity measures contributed to the significant improvement in Rhodia's earnings. · Rhodia benefited from good

growth in most of its markets, in particular the Polyamide and Services & Specialties Division. · For the full financial year, Rhodia's

earnings should be in line with expected profitability objectives.

(2) Capital game linked to Phodia's listing and (B) Operating income before coolwid amortization opins in carriags of allificial companies

> Investor relations: + 11 1 47 68 07 05 laternet : www.rhone-pouk-ne.com



# COKE: Company's Accounting Doesn't Add Up, Critics Complain

Continued from Page 11 dence rests heavily on the counsel.

'and our company's performance for our share owners peaks for itself."

Owsen, a doctoral student at the University of Portsmouth in Britain, have recently writ-Cola's accounting. 'One can't transact busi-

ness with itself," said Mr. Meyer, an investment analyst with Martin Capital Management in Elkhart, Indiana, and a former accounting profes-

To Mr. Meyer and Mr. Owsen, the issue of indepen-

shiffy air. Fans bigger than Cadillac cars drag 60,000 cu-

Fahrenheit (22 degrees Cen-

by the flow of air through the

fans and vents. But cooling

off such a gigantic space by the force of wind alone be-

wanted to adjust the temper- about

came unwieldy.

composition of the board of totally without merit," said directors. They say the board Laura Asman, spokeswoman of Coca-Cola Enterprises is for Coca-Cola Enterprises, controlled by people with strong ties to Coca-Cola.

makeup of the board has last year, Douglas Ivester, then Coca-Cola's president. was chairman of the bottling ten papers criticizing Coca- company. He stepped down after being promoted to chairman and chief executive of

installed.

"It got to be, when you food: Hence the curiosity

Coca-Cola Co.

stepped down, in February.

den Jr., Coca-Cola's general evidence that Coca-Cola

In addition, there are others they say. Coca-Cola: Howard Buffett,

the son of Warren Buffett and The open secret on Wall

Mr. Meyer and Mr. Owsen suggest that Coca-Cola exerts so much influence that Cocagoods and services. Coca-Cola's stunning returns, com-

transactions with the bottling

Cola Enterprises may be overpaying it for bottling fac-tories and a myriad of other Neville Isdell, a senior vice

president of Coca-Cola, also But the board still includes

a director of Berkshire Hath-To Coca-Cola's credit, the away Inc., Coca-Cola's largest Mr. Meyer and Dwight changed recently. Until late of Sun Trust Banks, Coca-

> two former senior Coca-Cola pared with far weaker profits executives and Joseph Glad- at Coca-Cola Enterprises, are

stockholder, and two directors Cola's second-largest stockholder. That accounts for six of the board's 13 members.

CAVE: U.S. Buries Millions of Files - and Clerks to Process Them

"and by the time the news 'Sometimes an employ- winds its way around you've

bic feet (1,700 cubic meters)

The other main gripe is being in the dark about what minute. The temperature is employees here call "what kept at about 72 degrees it's doing outside. Very few people venture outside during the day. The It used to be regulated just only destinations reachable in the mandated half-hour lunch break are a gas station mini-

"what it's doing."

Continued from Page 11

ature you felt like you were in a wind tunnel," said Dave phone — and are subject to Shively, the chief of opera-distortion as they make the eral Investigations Service. The biggest complaint is Shively, the chief of operations. So air conditioning was rounds.

ee's spouse calls and says, got a full-fledged blizzard."

REHDER & PARTNER LTD. market, a couple of churches and a taxidermist, so a local delicatessen brings in trays of

COURTIN INTERNATIONAL TRADING (CIT)

IF YOU WANT TO PLACE EMPHASIS ON QUALITY Rather than Quantity Please conjuct: Marc von Wild in Monte Carlo Tel.: ++377 97 97 20 10 Fax: ++377 97 97 20 11

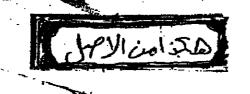
REPUBLIC OF LEBANON MINISTRY OF PUBLIC HEALTH COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION INVITATION TO BID

1. The Lebanese Government has received a loan (No. 3829-LEB) from the International Bank for Reconstruction and Development (IBRD) for the Rehabilitation of the Health Sector in Lebanon (Contract No. 2420). It is intended that part of the proceeds of this loan be applied to eligible payments under the contract for the procurement of Medical Equipment and Instruments for the Ministry of Public Health.

2. The Council for Development and Reconstruction (CDR), on behalf of the Ministry of Public Health (MOH), invites you to submit sealed bids from your company for the supply of Medical Equipment and Instruments for 3. The inspection of bidding documents and further information may be obtained at the following address: The Council for Development and Reconstruction - Tallet el Serail - Beirut Central District - Facsimile (961-1)

864494 - 647 947 - Telephone (961-1) 981431 -2 - Telex No.: 42490 CDR LE - Beirut - Lebanon. 4. A complete set of bidding documents may be purchased, as of Thursday August 6, 1998, upon payment of a nonrefundable fee of USS 200 in the form of a banker's certified check in the name of the CDR. 5. Bids must be delivered to the address mentioned above no later than Monday September 14, 1998 before 12:00

6. Bids will be opened in a public session at 12:00 hours local time on Monday September 14, 1998 at the offices of the Council for Development and Reconstruction.



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Tuesday's 4 P.M. Close (Continued)

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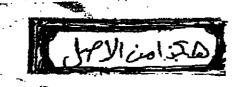
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# Herald Eribune PORTS

### French Policeman Awakes from Coma

SOCCER A French policeman has awoken from a coma, six weeks after he was attacked by German hooligans during the World Cup, hospital officials said Tuesday.

Daniel Nivel, 44, regained consciousness on Montal was

taken off a respirator.
"Daniel Nivel suffers serious

problems concerning understand-ing and speech and will need extensive rehabilitation," Lille Hospital said in a statement

Nivel was attacked by German fans after a June 21 match between Germany and Yugoslavia in Lens. He was hit with an iron bar.

 Dutch police said they expect to be overstretched during the 2000 European championship and their union called on Tuesday for the three-week tournament to be shortened by a week. (Reuters)

#### Temporary Job for Olsen

SOCCER Egil Olsen, Norway's World Cup coach, agreed Tuesday to take a temporary job as manager of Valerenga of Oslo, a club that is struggling near the foot of the Norwegian elite division.

Luc Nilis, a striker on the Belgian World Cup team, said Tuesday that he no longer wishes to play for the national team.
 Colin Hendry, the Scottish center half, moved to Glasgow Pancers from the English club.

Rangers from the English club Blackburn Rovers. Rangers paid £4 million (\$6.5 million).

#### Irate Arazi Disqualified

TENNIS Hicham Arazi was thrown out of the Grolsch Open in Amsterdam on Tuesday at 7-6 (11-9), 1-5 in a first round match against Magnus Norman. Arazi was warned twice for throwing his rack-et as he grew angry with himself for making errors. When he started hit-ting the ball wildly out of bounds in an apparent attempt to throw the second set, he received a third warning and was disqualified. (AP)

#### Texas Tech Is Punished

Texas Tech lost additional scholarships Tuesday and received an extra year of probation because of The football, baseball and men's and women's basketball teams will lose scholarships. Tech has admitted allowing 81 athletes to compete while academically ineligible from 1991-97. The punishments were in addition to those the school had imposed on itself.

# WORLD ROUNDUP European Hijackers Have a Thick Wallet

SuperLeague Would Ruin Competitive Spirit

By Rob Hughes

LONDON -- Drugs are not the only, nor the primary, danger to sports.

Money is.

As cyclists peddled their inglorious route up the Champs-Elysees where soccer was king three weeks earlier, a group of collaborators — lawyers and soccer club owners, bankers, television entrepreneurs and yet more lawyers met in London. Their mission? To hijack European soccer.

A supposedly secret European SuperLeague gathers pace. Its godfather is

#### WORLD SOCCER

Silvio Berlusconi, the former Italian prime minister who has more lasting holds on AC Milan and satellite television. The idea is to form a breakaway league among wealthy clubs that would play midweek matches for the greater benefit of themselves and the greater profits of the SuperLeague backers.

It has two enticing attractions for the founder members: A larger proportion of the television and advertising revenue they generate, without the burden that UEFA, the governing body of European soccer, currently imposes by distributing some profits to smaller clubs and national associations. The other attraction is a guarantee of permanent membership, without the tedious business of having to merit inclusion by qualifying year after year.

The idea has two damning drawbacks: If private investors, as well as elite clubs, reap the dividends, then the pyramid that sustains soccer, from the bottom up, will perish. And if perman-ency is allowed, the competitive essence of sport is destroyed. The new league would, in the words of Keith Wiseman, chairman of the English Football Association, reduce top European soccer to exhibition status. "It's Harlem Globetrotter stuff," Wiseman said. "If you don't have promotion and relegation on

merit, it will fade away. Wiseman's comment puts a finger on the genesis of Berlusconi politics. The Italian, whose famous team finished 10th in Serie A this year and thus has its nose outside the window of UEFA Champions League earnings, is enamored with the American franchise system. There, indeed, it is possible to lose on the field and win at the bank, to own the business rights to a permanent place

The English Football Association has warned its big clubs - Manchester United and Arsenal have sat at the SuperLeague table, and Liverpool has been implicated — that they cannot have

riches both ways. Either they stay within the established UEFA competitive struc-ture or they will be expelled from the FA Premiership, their seasonal source of millions. No one is certain this edict would survive a restraint-of-trade challenge in the European courts — and many ob-servers expect such a challenge from the covert Berlusconi conglomerate.

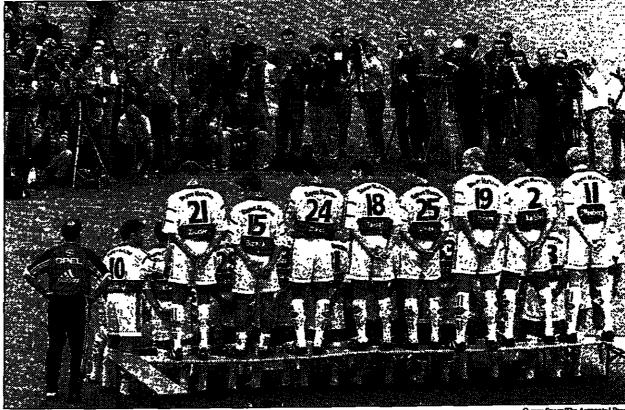
In any case, I strongly suspect Manchester United, for example, is bluffing. The team has so much to lose on the domestic front — full 55,000 houses whenever and whomever they play at Old Trafford in the tribal traditions of English league soccer. That, and the sky-high income from Sky Tele-vision, the British satellite arm of Rupert Murdoch's media empire, nets United upward of £2 million (\$3.2 million) a match, and the club's envied global appeal claws in merchandising and endorsements that make Manchester United the market leader in turning the round ball to profit.

Why does United go on meeting a chap as down on his luck as Berlusconi? First of all, neither party admits to meeting. They claim no knowledge of nighttime talks the London offices of the legal firm Slaughter and May, the involvement of Media Partners with its business relationships to Berlusconi, the Wall Street bank J.P. Morgan, and the attendance of leading European clubs.

They say they know nothing about any \$2 billion backing, any \$100 million first prize (compared to \$14 million for the victor in the Champions League). They scoff at the names, curiously Italian names, apparently already installed in positions to run the league. Rodolfo Hecht Lucari, a Berlusconi man, is rumored to be chief executive-designate, with Andrea Locatelli as competitions director and Paolo Taveggia, who once traveled the United States assessing the sporting scene, as a member of the board.

The names of television moguls who shape the world of sports are whispers in the corridors. The names of Spain's two leading clubs, Real Madrid and Barcalone have been firmly neglected in as celona, have been firmly penciled in as being against the new league; Juventus, Bayern Munich and Paris St. Germain appear ambiguous, but Ajax Amsterdam, Panathinaikos of Athens, Galatasaray of Istanbul and Benfica of Lisbon are keen to help pioneer the SuperLeague.

This is not surprising. Ajax and Benfica have fine, pedigree pasts in the European Cup, but their domestic leagues are uninteresting compared to vibrant, lucrative competitions that exist in Spain, Germany and England. The Dutch and Portuguese teams have more reason than most to fear missing the new boat of a Europe elite, if it ever sails.



EVERYBODY SAY CHEESE - Players from the first-division soccer club Bayern Munich posing for photographers during the official team presentation on Tuesday. League play begins Aug. 15 in Germany.

"That is most probably the case,"

What game, then, are Manchester United and Arsenal playing? Double bluff. They deny being at the table, they write letters of assurance to the Premier League in England swearing they will League in England swearing they will not join up without consulting their fellow English clubs. But they implicitly reinforce the message to UEFA that, when the Champions League contract is renewed in 2000, the big clubs want a greater percentage of and a greater say in improving or enlarging the format.

The clubs are, in effect, squeezing UEFA and using the SuperLeague ar-UEFA and using the SuperLeague ar-

admits Gerd Aigner, general secretary of UEFA. 'They have never got enough money, even if at the same time they spend 50 million Swiss francs for one player. I think the clubs are being incited, but we will not allow football to be torn apart into different fragments."

So? So there will be compromise. UEFA, obliged to operate between the tensions of clubs, leagues and national associations, has been in a weakened position since the European Commission outlawed the suggestion that sport was a special case and not subject to

"We will talk to the clubs, to the leagues and the national associations. says Aigner. "No doubt we will be able to make our competitions more attractive, maybe more lucrative. All things are feasible except that we will not allow anyone permanent entry. Sport loses its credibility without two things - national identity and qualification on merit.'

The collaborators of Berlusconi could always take up cycling.

Rob Hughes is the chief sports writer of The Times of London

# U.S. Soccer May Give Serb Another Chance

gument to do it.

Bora Milutinovic, the colorful Serb who has coached four countries to the second round of the World Cup, including the United States in 1994, appears to be the front-runner to coach the American team again.

Alan Rothenberg, the outgoing president of the U.S. Soccer Federation and the man who fired Mil-utinovic after the 1994 World Cup, said there were four candidates to replace Steve Sampson, who resigned last month after the American team

finished last in the World Cup. But Rothenberg seemed clearly to favor Milutinovic over Carlos Alberto Parreira of Brazil, Carlos Queiroz of Portugal (who became coach of the United Arab Emirates last week) and Bruce Arena of D.C. United an American Major League Soccer team. "The public expects results, and

Bora is a master strategist and technician," Rothenberg said. "We need a coach to do the best with what we have. We need to get maximum results in qualifying for the World Cup in 2002, and Bora has a proven record of accomplishing a lot with less talent."

Arena, the only American candidate, has had some support from people around Rothenberg, but he is apparently last on Rothenberg's list. Implying a preference for the cos-

and multilingual mopolitan Milutinovic over Parreira and Queiroz, both of whom he has interviewed, Rothenberg said, "We need someone who knows the country and the language, someone who has been

■ Incentive for American Clubs

The world club championship planned by FIFA, the governing body of world soccer, adds incentive for the clubs competing in the North American club tournament in Washington next week.

The winner of the annual CON-CACAF Champions' Cup - a 36year-old event consisting of the top teams from the United States, Central America and the Caribbean - will be considered for a berth in the proposed semiannual world club championship, Chuck Blazer, the general secretary of the regional federation, said Monday.

FIFA is expected to approve the world club competition next month. and one of the eight berths is almost sure to go to CONCACAF.

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# **Spain Downs** Lithuania in **Basketball**

The Associated Press ATHENS - Spain beat Lithuania, 86-80, in overtime Tuesday on the last day of second-round play in the World Basketball Championship. Spain improved its record to 5-1 and ensured it

will have a high seeding in Friday's quarterfinals. Lithuania fell to 4-2. Spain, the surprise team, has achieved little since it took silver in the 1984 Olympics in Barcelona. Forward Alberto Herreros, the lead-

ing scorer in the tournament, had 27 points. Arturas Karnisovas, playing with a bandaged head after a collision with a Spanish player, scored 20 for Lithuania.

Spain, which was on top for most of the game, could have won in regulation but Herreros missed an outside shot in the final seconds and Carlos Jimenez missed a tip-in at the gun.

Russia — billed as the favorite with Yugoslavia to win the title Sunday -beat Canada, 81-72, to improve its record to 5-1. Vassiliy Karassev scored 21 points, Sergei Babkov and Sergei Panov each scored 14 for Russia. Canada (1-5) got 14 points and 11 rebounds from

the United States and Lithuania had all



Lithuania's Saulius Stombergas, left, battling Spain's Alberto Herreros.

made sure of places before the final round of games. Italy beat Puerto Rico, 68-63, Tuesday, led by 15 points by Gregor Fucka to

advance to the quarterfinals. Puerto Rico was eliminated. Argentina improved its chances of taking the remaining place when it beat

Brazil, 86-76. Marcelo Nicola scored 22

teams were tied, 24-24, when the lights dimmed.

On Monday, Yugoslavia fell to Italy, 61-60, as the Italians avenged a loss last vear in the final of the European championship to the Yugoslavs.

The Yugoslavs were undone by two former Yugoslav players - Bosnianborn Bodjan Tanjevic, the Italian coach, points for Argentina. That game was and Slovenian-born Fucka, who hit the interrupted by a power problem. The winning shots.

# Spanish Shun Women's Tour de France

The Associated Press

MADRID -- Spanish riders have pulled out of the women's Tour de France to protest the doping investi-

gations that marked the men's race.
"We take this measure because of the poor treatment received by Spanish cyclists and teams in the Tour de France, the Spanish Cycling Federation said. "It's a test of solidarity for fear that the same incidents will occur in other races and will only contribute to damaging the

image of cycling."

All four Spanish teams — Banesto,

The International Tennis Federa-

tion has told Primo Nebiolo, head of

the international governing body of

track and field, that he did not know

what he was talking about when he

ing these uninformed and groundless

ad-hoc statements about the federa-

tion's activities and the game of tennis

generally, and I require the courtesy of

an acknowledgment of this request."

said in a letter published Tuesday.

Brian Tobin of the tennis federation

In a statement released last week

during drug scandals at the Tour de

France, Nebiolo cited tennis, volley-ball and cycling as sports that had

'I must ask you to desist from mak-

spoke of drug testing in tennis.

Dispute on Drug-Test Remarks

ONCE, Kelme and Vitalicio — dropped out of the men's Tour de France to evidence, against those who have as protest alleged harassment by French police who were investigating the use of

banned drugs.
The women's race starts Aug. 11 and

lasts for 10 days. On Monday, officials of the ONCE team said they were studying legal action against Tour organizers.

"We can't just leave things like this," said the ONCE chairman, Jose Maria Arroyo. "We are studying taking

action against the organizers, against

refused to sign an Olympic accord for harmonizing anti-drug programs. Tobin said the federation carries

out more than 1,000 tests a year in an

anti-drug program approved by the International Olympic Committee. Last week, Ruben Acosta, president

of the international governing body of volleyball, accused Nebiolo of making

"totally false" comments about drug

testing in volleyball and said Nebiolo

should concentrate on fighting "systematic doping" in track and field.

Separately, the Greek national re-

cord-holder in the women's shot put,

Eleni Tsentemeidou, tested positive

for steroids and will miss the Euro-

pean Championships in Budapest, Greek newspapers reported.

tacked cyclists." "We will go to any court or inter-

national organization necessary to defend our rights, which have been trodden on," he added. The ONCE team also announced it

was pulling out of three races in France later this year: the Tour of Limousin, the Paris-Tours race and the Tour de l'Avenir. "We are not going to participate in these three events in France because of

what happened on the Tour," said a team official. "Our riders are simply not ready to race again so soon afterward. They have

been greatly affected psychologically and are demoralized.' Nicolas Terrados, the ONCE team

doctor, who was charged by a French judge Friday with inciting and facilitating the use of banned drugs, told reporters: "I've never used anythmagainst the health of my sportsmen. Tas has always been the way in my ca-

"I would not have spent so much time abroad investigating to end up us-ing drugs," Terrados said.

What they found in my bag and ou the bus is what one would expect to find in a doctor's bag."

Terrados, who had been ordered by the French judge not to have any contacts with ONCE, spoke at a separate press conference from Arroyo.

# Spain, Russia, Greece, Yugoslavia,



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W.—Hermanson 9-9, L.—Boehringer 5-2.
HR.—Montheol, V.Guerrero (26),
San Francisco 100 110 800—6 17 9
Philadelphia 900 909 100—1 8 1
Darwin, R. Rodriguez (6), Johnstone (7),
Mesa (8), Nen (9) and Mayne; Loewer,
Gomes (7), Bottalico (7) and Estaleita,
W.—Darwin 7-9, L.—Loewer 5-4,
HR.—Philadelphia, Rolen (23),
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W.—B. M. Jones 5-4, L.—Lieber 3-12,
HR.—Phisburgh, McJ.Martinez (5),
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Ja.Powell (8) and Ausmus: A.Larkin,
A.Konseco (7), Mantele (3) and Zoun, W.—A.
Larkin-A.L.—Bergman 10-6. Sv.—Mazaka (5),
HRS.—Houston, De Bell (1d), Everetti (12),
Las Angeles 601 801 316—8 11 9
New York 200 120 000—5 10 3
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L.—Michiched (2-6. Show (3)), HSs.—L.A.
Mondesi 2 (25), Karros (14), N.Y., Piazza (19).

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Marrera: Woodard, M. Myers (7), Plumb (7),
Wickman (9) and Martheny, W.—Woodard 9-5. L.-D. Offwer 0-1. Sv.-Wickman (78). 5. L.—D. Chiver 6-1. 59—Prickman (19). HRS—S1. Louis, Gant (17). R.Lankford (19). Gaetti (11). Milwovikee, Burnitz (26). Arizona 201 026 010—4 10 Cikicage 000 901 310—5 15 0 Telentaco. Embree (7). Chauknard (7). Oison (8) and Stinnest; Wengert, Stevens (6), T. Adams (7), F. Herodia (9), Karchner (9) and Houston, W.—Telemaca 4-5. L.—Wengert 1-1.5v—Obon (19), HRs—Arb

CENTRAL LEAGUE PACIFIC LEAGUE

BASKETBALL WORLD CHAMPIONSHIP

United States 75, Spain 73 Niceria 70. Japan 60

Chunichi S. Yakali 0 Daiel & Niopan Ham 5 Lotte 11, Orb. 7

15TH PLACE Senegat 75, South Korea 72 **15TH PLACE** 

SOCCER german liague cup TENNIS

ATP WOBLE RANKINGS

1. Pete Samprus, United States, 3,825 points.

2. Marcelo Rius, Chile, 3,719.

3. Petr Korda, Czech Republic, 3,195.

4. Carlos Moya, Spain, 2,902.

5. Patrick Rafter, Austrolia, 2,878.

4. Carp Placeter Republic, 2, 276.

4. Carp Placeter Republic, 2, 276. 6. Greg Rusedski, Britcin, 2,706. 7. Jones Bjorkmen, Sweden, 2,563. 8. Yevgeny Kafelnikov, Russia, 2,442. 9. Richard Krajicek, Netherlands, 2,368.

a. respeny Amerikan, Russia, 2.442.
9. Richard Kroflonk, Netherlands, 2.368.
10. Alex Corretia, Spoin, 2.302.
11. Andre Agessi, Unified States, 2.209.
12. Thin Henman, Britah, 2.163.
13. Albert Costa, Spoin, 2.128.
14. Korol Kucera, Stovakia, 2.127.
15. Alberto Berosofreyu, Spoin, 1,900.
16. Goran Ivanisevic, Croofia, 1,803.
17. Feix Martilla, Spoin, 1,776.
18. Thomas Enqvist, Sweden, 1,737.
19. Cedric Pioline, France, 1,772.
20. Michael Chang, Unified States, 1,663.
WIX. TOWE RAMINITIES
1. Mortins Hingls, Switzerland, 3,216 points, 2. Lindsoy Dovenpoyt, Unified States, 4,631.
3. Jono Novatra, Crock Republic, 4,615.
4. Avantan Sanchez Victoria, Spoin, 3,264.
5. Venus Williams, Unified States, 3,098.
6. Mortins Seles, Unified States, 2,137.
9. Nathralie Tauzida, France, 2,133.
9. Irland Spirice, Romania, 2,123.

11. Pathy Schmyder, Switzerland, 2.107. 12. Deminique Van Roost, Belgium, 1,997. 13. Sandrine Testud, France, 1,776.

14. Annu Koumikova, Russia, 1,692 5. Natasha Zvereva. Belarus, 1,662. 16. Mary Pierce, Pronce, 1,453. 17. Ai Sugiyama, Jopan, 1,567, 18. Anke Huber, Germany, 1,530 18. Anke Huber, Germany, 1,530. 19. Lisa Raymond, United States, 1,455, 20. Iva Majoli, Creatia, 1,375.

TRANSITIONS

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SEATTLE—Recipied RHP Dovid Holyridge trem Tocama, PCL
TEXAS—Put LHP Scott Balles on 15-day disabled list. Recalled RHP AI Levine from Okiahama, PCL

from Tucson, PCL. Acti

CONNATI - Recoiled LHP Desiris Re from Indianapolis, IL FLORIDA—Signed OF Chip Authors.
MILWAUKEE—Optioned LHP Voterlo De Las Santas and LHP Rafael Roque to Laubville, (L

MONTREAL-Recuised RHP Justiny Power MONTREAL—RECORDER RHIT JOSEPHY FOR HOTEL TO THE HEAD OF THE HEAD OF THE WILLIAM OF BERRY ABDOYAND TO NOTOILE IL. PUT OF BUILTH HUSkey ON 15-day discaled Jisi. Recoiled C Todd Proti from Notoile.

· FOOTBALL -NATIONAL POOTBALL LEAGUE
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M.Y. JETS.—Signed LB Brian Cox.

HOCKEY HAPTONAL HOCKEY LEAGUE
COLDRADO— Signed RW Scott Puries and
LW Nick Boutions to 3-year controcts. Signed
RW Sheen Doewen, D. Jeff Buchanen, and P
Ted Crowley to 1-year contracts. MONTREAL Re-signed C Vincent Don'th

COLLEGE

SUTLES—Announced Obs France, but be good. will brunter to Purdue-Caloria.

FACIFIC—Normed Monty Owers 18975 F.

Stricked cornhaps beautstboß cooch.

SETON MALL Mirror. COLLEGE

# **SPORTS**

# History's Greats? Laggards, All McGwire Poised for Legitimate Assault on Home Run Recor By Thomas Boswell "It's going to be a couple of people. And they're going to fly past it." the Seattle Mariners center field homers. Now, he is on a pace for homers have been no easier to

# McGwire Poised for Legitimate Assault on Home Run Record

season of the home run in baseball. It is, as dead. It is a fait accompli, a forgone rather, the season of Mark McGwire. And, before it is over, perhaps Ken Griffey Jr., Sammy Sosa or some as yet unidentified hero as well

There is a huge difference between those two propositions. But it is a distinction that is being missed throughout the sport. This is not a summer of goofy gopher balls and cheap dingers. It is, rather, a chance for us to watch a totally legitimate assault on baseball's most glamorous home run record by a trio of astonishing players.

Big Mac, Junior and Sammy are attempting to go where Mickey Mantle, Willie Mays, Ted Williams, Jimmie Foxx, Hank Aaron and 70 years' worth of great sluggers have tried to venture before them; beyond 60 homers. And they are trying to do it under conditions that are virtually identical — and no easier — than those faced by Hammerin'. Hank, the Mick, the Splendid Splinter, Mr. Double X and the Say Hey Kid.

Wherever you go in baseball this summer, the clubhouse TV is always turned on after the game. As players munch cold cuts, take showers, give interviews and get ready to go home, they cut their eyes toward the screen periodically.

Like everybody else, they are on fullscale alert. Who has gone deep? Has
McGwire crunched a ball in the upper deck? Has Sosa smashed one?

It's not just one person who's going to break Roger Maris's home run record this season," Mike Mussina, the Baltimore Orioles pitcher, said recently.



Sammy Sosa: Chasing McGwire.

That is close to the common wisdom WASHINGTON — This is not the in the game. The Maris record is as good conclusion — a kind of Let's Revitalize Baseball conspiracy that is simply being played out. Supposedly, the deck is so stacked in favor of McGwire, Griffey and Sosa that it will be a shock if 61 does not fall. What can keep Mac from 70? Yes, fly past that record.

#### VANTAGE POINT

In fact, this entire line of thinking --prevalent from the dugout to the cover of Time — is untrue. We have fallen, myself included, for the unexamined assumption that this era is a unique home run hitter's paradise. After the Maris record was broken, would it not almost be necessary to point out that the new mark was just a rad - well tainted?

Home runs are easier to hit, and runs are easier to score, than they have ever been, right? The ball is juiced. The new ballparks are small. The strike zone is tiny. Expansion has diluted pitching. Creatine has helped sluggers increase muscle mass, supposedly without the dangers of steroids. And everybody wants the record broken.

This time, let's let the facts get in the way of a good story. Because, if we do, suddenly we have an even better tale. If McGwire breaks Maris's record, he will have done it in a league, and in a

time, when both home runs and runs were being produced at exactly the same rates that they were in the National League from 1953 through 1961.

In each of those nine seasons, the National League averaged between 1.81 and 2.05 home runs per game. That is high. But not abnormal. In the past three years, the NL homer average has been .90, 1.96, 1.91 and, this season, 1.90. (Rans in the 1950s in the NL were also right where they are now - fluctuating around 9.25 per game.)
Yes, Willie Mays, Hank Aaron, Frank

Robinson, Duke Snider, Eddie Mathews, Ernie Banks and Ted Kluszewski had their big power years in an era when statistics were identical to the way they have been in the National League for the last four years. Yet, in that entire nineseason period, only one player hit 50 homers: Mays with 51 in 55.

So, do not compare McGwire as a slugger with those guys. In the last three years, as he has hit 52, 58 and, so far, 45 homers, McGwire has already proved that they are just not in his league. Hard as it may be to accept, Griffey is

in the same boat as McGwire. Last year

'It's going to be a couple of people.

And they're going to fly past it.'

the Seattle Mariners center fielder hit 56 homers. Now, he is on a pace for 60. Yet homers. Now, he is on a pace for 60. Yet homers have been no easier to hit in the AL than they were in the heyday of Maris, Mantle and Harmon Killebrew from 1961 through 1964.

Back then, the American League averaged 1.84 to 1.92 homers a game. That, however, was before the designated hitter. If there had been a designated hitter, homers would have increased by about one-ninth. Guess where we are these days? That's right — 2.19 homers a game last year and 2.20 this season. Just like the early '60s, after

accounting for the designated hitter. But have there been other comparable times? And even better times for homers? Yes.

The two easiest seasons ever for homers were '87 and '96 in the AL (2,32 and 2.42). This summer is 10 percent below that level.

Every great slugger of the last 50 ars has had at least one period when he played in the right time and place to have a shot at a new homer mark. Only Maris did it. Now, Mac's on pace for 66. While we're at it, let's get some of our

legendary old-timers down off their pedestals. For example, the impression is afoot that scoring has been astro-nomical since the strike of '94. While offensive levels have been high and healthy, they have not been inconsist-ent. Ruth's American League from 1920 to 1930 produced slightly more runs per game than the AL has in the last

Here is my favorite Perspective On The Babe stat. In 1921, Ruth had the second-highest slugging percentage in history (.846, after setting the record of .847 in 1920). The Babe hit .378 that season. How hard was it to hit in 1921? The Indians had five guys on their bench named Burns, Stephenson, Wood, Evans and Nunamaker. In 928 at-bats, these scrubs hit a hair over .350. Obviously, it wasn't too hard to put the bat on the new lively ball in 1921.

Major league scoring from 1921 through 1941 was basically very close to where it is in the late '90s — about 9.5 runs a game. Of all the offense-crazed periods, the '30s was the nuttiest.

Just think: Aaron never had more than 47 homers. Killebrew and Frank Robinson never got beyond 49. Yet, at the age of 28, Griffey already

has seasons of 45, 49, 56 and, in the strike-shortened year, was on pace for 58 homers. This year, 60? Compare him to Mays? Heck, compare him to anybody.

What our turn-of-the-century heroes are trying to accomplish is every bit as authentic as it is unique. Let's not cheat ourselves by giving them short shrift.



Expos pitcher Dustin Hermanson beating the Padres' Carlos Hernandez to first during Montreal's victory.

# Nomo and Piazza Shine, but in Vain

The Associated Press

Hideo Nomo and Mike Piazza, former Los Angeles Dodgers, had big games against their former team but the New York Mets could not hold on to the

Raul Mondesi and Eric Karros both hit two-run homers in the seventh inning as Los Angeles came from behind to beat the visiting Mets, 8-5, Monday.

Piazza hit a run-scoring single in the first and a two-run homer in the fifth. Los Angeles traded him to Florida in May and the Marlins sent him to the Mets a week later. After Nomo, 3-1 for the Mets fol-

lowing a 2-7 start for Los Angeles, left with a 5-2 lead in the seventh, Mondesi hit his second homer of the night.

Dave Mlicki (6-5), traded by the Mets in the Nomo deal, improved to 5-1 for Los Angeles.

Marlins 11, Astros 3 Struggling rookie Andy Larkin pitched 63/3 strong innings and Gregg Zaun matched a career high

with four runs batted in to help Florida beat Houston in Miami.

Florida's Craig Counsell was hit in the jaw by a pitch from C.J. Nitkowski in the eighth inning. Counsell remained

NL ROUNDUP

on his feet, but immediately left the

game for treatment. Nitkowski, who also hit the two previous batters to load the bases, was taken out of the game after he hit Coun-

Larkin (3-6) allowed five hits and three runs, lowering his earned run average from 7.97 to 7.58.

Rockies 7, Pirates 2 Bobby Jones pitched eight strong innings and hit a pair of RBI singles as Colorado won at Pittsburgh. Jeff Reed went 4-for-4 and drove in two runs and newly acquired Darryl Hamilton also had two RBIs.

wers 6, Cardinals 5 Steve Woodard won his career-high sixth straight

decision and Milwaukee kept Mark McGwire from homering at County Sta-

Since he hit his 45th home run against Milwaukee at Busch Stadium last Tuesday, McGwire has gone 22 at-bats without homering. He went 1-for-4 with a double, a line drive off the left-field wall that fell about a foot short of the yellow home run rail.

Giants 6, Phillies 1 Danny Darwin won for the first time in nine starts since June 8, and Barry Bonds drove in two runs as San Francisco won at Philadelphia to complete a four-game sweep.

Expos 6, Padres 1 Dustin Hermanson took a shutout into the ninth and Vladimir Guerrero hit a two-run homer as Montreal beat visiting San Diego.

Diamondbacks 6, Cubs 5 Tony Batista, who came into the game after Matt Williams was hit by a pitch on the right wrist, connected for the first pinchhit home run in team history as Arizona

# High School Baseball May Bench High-Tech Bats

KANSAS CITY, Missouri — High-

performance bat technology could soon be benched at high school baseball fields across the United States.

ers, the Baseball Rules Committee of the National Federation of State High School Associations said Monday it would set guidelines for maximum bat performance. The standards would be based on wood bats.

Among the dozens of high-cost, high-tech aluminum bats on the market are Worth Inc.'s new \$280 Copperhead ACX, which uses electronic

dampers like shock absorbers to minimize vibrations, allowing the batter to hit the ball harder and extending the

sweet spot down into the handle.
"The difference is the speed the ball In an effort to preserve the traditions leaves the bat," said Justin Givens of semiprofessional organization.

"You're seeing more and more pitchers getting just clocked out there." Last summer in Glendale, California, Julius Riofrir, 17, was warming up when he was struck in the head by a ball hit with an aluminum bat. The ball

hit him in the right temple, fracturing his skull and killing him. Riofrir's death and other injuries,

particularly to pitchers, have convinced several youth and semipro leagues to switch back to wood bats. The Jayhawk League and the Cape Cod League, summer leagues for college players, use wood bats exclus-ively, and the National Baseball Congress is considering making wood bats mandatory in championship games

starting in 2000, Givens said.

Brad Rumble, the assistant director of the National Federation of State High School Associations, said the association's primary goals in limiting bat performance were returning balance between defense and offense and helping minimize the risk of injury.

# For Oquist, Unrelieved Yankee Torture

OAKLAND, California - When Mike Oquist came to the dugout after each inning, the Oakland Athletics manager, Art Howe, offered little more than

condolences.

Trying to preserve his bullpen for Tuesday's doubleheader, Howe sacrificed Oquist and sent him back out for more torture as the New York Yankees overwhelmed the A's 14-1 Monday.

since 1977 to give up 14 earned runs, setting an A's franchise record. He gave up 16 hits in five innings and lost his fourth straight start.

"Okie took one for us," Howe said. "It's a terrible feeling to have to do that with anyone on your team. Life's cruel. I was bleeding with the kid."

'I know he didn't want to do it,'' said Oquist, referring to Howe. "I didn't want to do it. But you've got to keep making first game of Tuesday's doubleheader.

pitches and going at them. You make a mistake and they don't miss them. I've never been hit like that before."

Chuck Knoblauch homered twice and drove in a career-high five runs for the Yankees. Paul O'Neill and Darryl

Strawberry also homered. Every starter in the New York lineup

had at least one hit and scored a run by

### AL ROUNDUP

the fourth inning. O'Neill had three hits,

including his 16th homer. Bill Travers was the last major leaguer to allow 14 earned runs, according to the Elias Sports Bureau. He did it on Aug. 14, 1977, in 7 1/2 innings of Milwaukee's loss to Cleveland.

After the game, the A's released outfielder-designated hitter Kevin Mitchell and called up Jay Witasick to pitch in the

NO GUM. LET'S TRY

Most Valuable Player for the San Fran-cisco Giants, hit .228 with two homers for the A's.

Angels 11, Indians 4 Tim Salmon hit a three-run homer and Randy Velarde got three hits as Anaheim beat visiting Cleveland. Velarde's hits were his first in the majors since 1996. He played in only one game last year because of elbow problems. He was recalled from the minors earlier in the day.

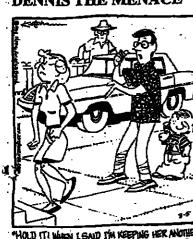
Mariners 3, Red Soz 1 In Seattle, 100kie Shane Monahan hit his first major league homer, a two-run shot that broke a seventh-inning tie against Boston.

White Sox 6, Devil Rays 1 James Baldwin beat Tampa Bay for the third time this season, outpitching Rolando Arrojo,

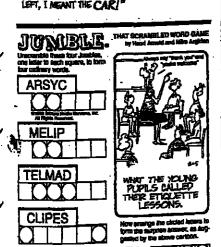
as Chicago won in Saint Petersburg. Baldwin shut out Tampa Bay until Fred McGriff hit his 350th career home run with one out in the ninth inning.

BOY, THESE THINGS COME IN HANDY ALL THE TIME.

### DENNIS THE MENACE



"HOLD IT! When I SAID I'M KEEPING HEK ANOTHER YEAR DECAUSE SHE STILL HAS A FEW GOOD MILES LEFT, I MEANT THE CAR!"



OGGY ASATE POCKET TYRAMI OW THE PUTTER GOLD THE COME FOR --

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# **PEANUTS**



I'VE MADE A FEW MISTAKES IN MY LIFE

BEETLE BAILEY

SIGN HERE, HERE AND

HERE



WHAT AM I SIGNING?



НА НА НА НА НА НА НА НА НА НА!

I DON'T KNOW.

SOMEONE SENT US

THESE FORMS











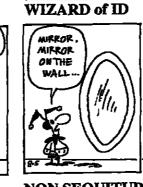






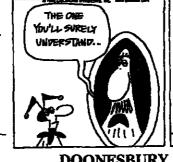












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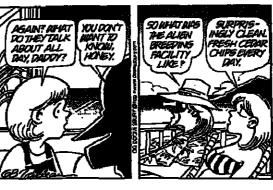
CALVIN AND HOBBES

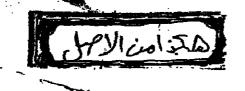
SAY, I WONDER IF I HAVE ANY GUM IN MY POCKET.











### **OBSERVER**

# Devil on My Shoulder

By Russell Baker

TEW YORK — We truly live in wonderful times. but now and then when Old Devil Skeptic jumps on my back, he starts me asking myself questions. Here are sev-

with genes have just cloned fool regret having missed out some mice. It was big news, on such reeking slaughter? but can somebody tell me: Why does the world need more mice?

enough mice for everybody? Are so many people complaining of mice shortages that we have to clone them?

Can't we curb the childish exuberance of the world's cloners? Don't misread me. Cloning is a wonderful, wonderful thing, but where will we end up when the cloners clone what they're absolutely dying to clone just to show they can do it; to wit, people?

Why make rush-hour traffic worse just because you've got the know-how? That's just showing off, isn't it? Instead more mice and people, why biologists clone

creatures facing extinction? Frogs and toads, for instance, are dying en masse of a mysterious worldwide affliction. You cloners ought to be making frogs and toads, not mice. Shouldn't you?

2. I am watching the already famous opening of "Saving Private Ryan" with its nasty pictures of what D-Day on Omaha Beach was probably like for the men who were there, and I am being very glad I was not among them.

Long ago I saw Robert Mitchum, John Wayne and Henry Fonda take that very same beach in "The Longest

Day," and left the theater full of envy. How great if I could have been there that day with those manly stars. So calm, so indestructible, such great jaw

As I watch, Spielberg's horrific D-Day is making hash of the secret hero within me. eral I asked just this morning. Why would anyone but an ut-I. Scientists who work ter, complete, absolute, asinine

Why are women of our Aren't there already wonderful times demanding assignment to combat duty Can they truly believe that submitting to this kind of butchery is essential to free woman of her ancient oppressors? How does it pro-

> machine-gun fire?
>
> Has the remote-control weaponry of our wonderful times deluded young people most fatally? Did anybody who watched the Gulf War on television see anybody bleed-

mote sisterhood to step off a

landing craft into a wall of

Is it possible that in combat nobody has to be blown into of glutting the landscape with more? Is it true, as Pentagon censorship suggested in the Gulf War, that combat is a telegenically fetching series of electronic encounters between bloodless machines? No more disemboweled bodies on squalid battlefields?

Is somebody kidding us? Isn't somebody always? 3. Remember what President Roosevelt told the generation that fought the "Private Ryan" war? "This generation has a rendezvous

with destiny," he said. What does our present generation have a rendezvous with? Linda Tripp? Monica Lewinsky? The Powerball lottery?

New York Times Service

# When the Character Calls, Minnie Driver Listens

By Laura Winters

TEW YORK — Minnie Driver is equally at home telling IN an off-color joke or spelling Aeschylus correctly on a crossword puzzle, as she did recently in a rare moment of repose at a midtown Manhattan hotel. The British actress, 27, who has made a career for herself in the United States in hit movies like "Big Night," "Grosse Pointe Blank" and "Good Will Hunting," displays a dizzying array of at-tributes: She's intellectual and earthy, statuesque and spir-

Perched on a chair with her legs tucked under her, she looks very much the rising star, with high-heeled lizard-print sandals on her feet and with her unruly ringlets pinned up in a smooth twist. But her frank personality penetrates any pose, whether it be through her irrepressible laugh, which invites complicity, or her sudden seriousness when she talks about the professional and personal turnult of the last few months.

Driver's new film, "The Governess," has opened in the United States, but she is still best known these days as Skylar, the Harvard undergraduate from Britain who falls in love with the unlikely math genius played by Matt Damon in "Good Will Hunting." That performance gained her a nomination for the best-supporting-actress Oscar this year.

Since her Academy Award nomination, Driver's profile has grown beyond that of simply a supporting actress partly because of the roles coming her way, partly because her off-screen relationship with Damon, and its breakup, made her a popular subject among gossip columnists.

"Minnie has the potential to be both a character acress

and a leading lady, 'said Barry Levinson, who directed her in the 1996 film 'Sleepers.' 'She is very attractive, but she is also very chameleonlike.'

Driver certainly has a knack for choosing roles in films that will be successful. How does she pick them?
"I know my emotional repertory well," she replied in her gravelly voice, "and when I read something that has a resonance in that part of me. I listen. I've never felt that I had to take a role in one of those mediocre but hugely budgeted romantic comedies because I want to wear beautiful dresses

and have people think I'm pretty and that I get the guy. really believe in the characters I play." "The Governess" is a departure for Driver in that it is a period drama, a British film (her first in several years) and, most important, her largest role since 1995, when she made

her feature-film debut in "Circle of Friends. In the new movie, she plays Rosina Da Silva, a young Jewish woman in 1840 in London whose businessman

father is suddenly murdered. Needing to find a way to support her mother and sister, Rosina hits on the idea of becoming a governess — though to find work she must hide the fact that she is Jewish. Hired by a wealthy family in Scotland, she falls into a passionate affair with the man of the house, Charles Cavendish (Tom

Wilkinson), who is a pioneering photographer.

Driver was attracted to the movie, which was filmed last

walked to the gate.



Minnie Driver: She can spell Aeschylus, too.

summer in England and Scotland, because she felt it avoided the cliches of British costume drama. "I wanted to do a period drama, but I didn't want it to be chocolate-boxy," she

said. "And sure enough, along came this twisted tale of spiritual subterfuge and blind eroticism."

Preparing for "The Governess," Driver immersed herself in Judaism, attending synagogue and listening to Sephardic music, and became more familiar with photography. which becomes both Rosina's career and her emotional lifeline. Beyond the specifics of the character's coping with the constraints of 19th-century British society. Driver believes there's a timelessness to Rosina's inner conflicts.

"I'm fascinated by how much we, as women, have to subjugate and hide ourselves in order to get on in the world, 'she said.

Driver, who is in every scene of the film, shows a sort of kaleidoscopic subtlety in expressing Rosina's tangled emotions. This doesn't surprise the director, Sandra Goldbacher, whose background is in documentary and short films and who is making her feature-film debut with "The Gov-

Minnie is able to be vulnerable at the same time as being strong," said Goldbacher. "It's a very demanding role because it's almost like she plays five separate people. Rosina has assumed a different identity, but within that she behaves differently with each of the household mem-

Driver's versatility as an actress has made her uncategorizable in a broader sense. Although she is part of a new wave of British acting talent, which includes Rufus Sewell, Kate Beckinsale and Rachel Weisz, Driver has up to this point chosen to make her career mainly in the United States, where she has found the most opportunities. "I think I'm viewed as being a bit of a traitor in Britain," she said.

Many people mistakenly think of her as American, be-

cause of her ability to master almost any accent. cause or ner ability to master aimost any accent.

She is frank about the dearth of worthwhile leading roles for young female stars in Hollywood. "It's wonderful, with "The Governess," that it hasn't been about a studio saying, "O.K., honey, it's your turn now," "she said. "To strike out and go: "You know what, I can do this. I feel strong enough and well-versed enough to take this worden on?"

and well-versed enough to take this woman on."

Driver has recently bought a house in Hollywood and formed a production company, appropriately named Two Drivers, with her sister, Kate. "The British tabloid press have Hollywood painted as a place where they hand you some silicone implants as you go through passport control," she said. "But my life there is so much more low-key than

Still, she doesn't intend to be bound or defined by life in the United States. "I've always been pretty nomadic," she

Driver is back in Britain making "An Ideal Husband," a film adaptation of the Oscar Wilde play which is being directed by Oliver Parker and also stars Julianne Moore, Rupert Everett and Cate Blanchett. "I get to be frothy and vicious and soufflé-like," Driver said with a smile.

Driver will continue to be guided by her insistence that "The other day," she said, "I turned something down, and they were all screaming at me and saying, 'It's a huge amount of money, this really amazing director, incredible actors, what are you doing?" she recalled. "And I was saying: "That isn't the point. I honesty don't think I will be

very good in it. Anyone could do this, and that isn't a good reason to do something.' " She paused for a moment. "You should feel secretly, Only I can do this."

Laura Winters, who writes frequently about the cultural scene in the United States and abroad, wrote this for The



Harrelson and his wife, Laura Louie, leaving the courthouse in Denver.

WEARING a yellow suit. Queen Elizabeth the Queen Mother celebrated her 98th birthday Tuesday by greeting well-wishers who had camped out to join the party. As the Band of Welsh Guards marched past, playing a specially composed Royal Birthday March and then "Happy Birthday," the Queen Mother smiled, waved and acknowledged the 45 bandsmen as she stood at the gateway of Clarence House, to present bouquets to Britain's longestlived royal, who leaned on a cane as she

The actor Woody Harrelson and his two brothers have attended a Denver hearing in which their father, Charles Harrelson, is trying to win a new trial for the murder-for-hire of a judge in Texas in 1979. After the hearing, Woody Harrelson acknowledged he was paying his father's legal bills, but he declined to discuss the case in detail. "They have just gotten started," he said, "but I'm here to support Dad."

Caught in the Act, one of Europe's most successful groups, will make a farewell tour this month before disbanding after six years together, a spokeswoman said. The two Dutch members, Eloy de Jong and Batsiann Ragas, and

Benjamin Boyce and Lee Baxter of Britain will hit the road Saturday and play their final show in Magdeburg, Eastern Germany, on Aug. 16. The group's hits include "You Know," "Do It for Love," and "Baby Come Back."

# Statue of Byron in Athens Gets a Scrubbing

**PEOPLE** 

THENS — Lord Byron is getting a long overdue scrubbing. Restorers are A at work washing away the blemishes of age and pollution from the statue of the English poet and 13 other monuments on the walkways outside Zappeion

Hall, the 19th-century mansion-turned-public landmark in central Athens. "They are cleaned by hand. It is a special method. It needs concentration, Katerina Daskalaki, director of the preservation team of Athens's national

monuments, said. This is the first cleaning of the nearly 140-year-old marble statue of Byron, who is depicted dying in the arms of a goddess representing Greece. Scaffolding and cloth coverings now surround the 23-foot (7-meter) statue.

Byron died in 1824 at Missolonghi, where he had taken command of a Greek brigade during the fight for independence from Ottoman rule. Other statues around the Zappeion include those representing the founders of the modern Greek state and ancient athletes. The Zappeion served as the residence for competitors in the first modern Olympiad in 1896.

Johnnie L. Cochran Jr.'s \$10 million libel lawsuit against a New York Post columnist was dismissed by a federal judge who said the writer had a right to express her opinion. Judge Kim Wardlaw ruled that Andrea Peyser's column — in which she wrote that Co-chran "will say or do just about anything to win, typically at the expense of the truth" — was protected by the First Amendment: Cochran was one of the team of lawvers who successfully defended O.J. Simpson.

Prince Ernst August of Hannover has been fined 90,000 Deutsche marks (\$51,000) for beating a photographer who was trying to snap pictures of him with Princess Caroline of Monaco,

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prosecutors said. A portrait of Alfred Hitchcock, whose profile became as famous as his skill directing such films as "Psycho"

and "The Birds," is featured on a 32-V

cent U.S. postage stamp now on sale.



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